RESOURCE MANAGEMENT

Fiscal Year 2003

Army Resource Management Award Winners

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RESOURCE MANAGEMENT

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(Financial Management and Comptroller)

Mr. Ernest J. Gregory

Moving Towards A New Accounting System

Since 1775, the Army's Resource Management professionals have supported the soldier. In 2004, the Global War on Terrorism constitutes a battlefield and a threat that differ greatly from previous wars, and again you are being asked to leverage resources to support our Army. I'm sure the resulting increase in workload and mission has directly impacted your daily professional lives, and I thank you for your commitment. This issue of Resource Management contains many success stories about how we're meeting the challenges of our Army at war. I would like to share just one example now.

In April 2003, we received a request to update the Under Secretary of Defense (Comptroller) about the Army's progress in meeting the Prompt Payment Act interest metric. The goal was a 40 percent reduction in interest payments. During the first four months of FY 03, the Army achieved a 26 percent reduction in total interest paid. The DoD Comptroller asked: How would the Army meet the 40 percent reduction goal?

We researched and evaluated the situation and discovered some interesting facts. Even though we have pursued electronic commerce initiatives, vendor payment is still, primarily, a manual process that requires DFAS to match an invoice and receiving report to accounting and vendor pay data, which are maintained in non-integrated financial systems. DFAS processes about 3.5 million vendor payments annually for the Army, a rate of nearly 14,000 payments per business day. But, in fiscal years 2002 and 2003, as we ramped up to fight the Global War on Terrorism, the Army's disbursements increased dramatically. The current metric, total dollars of interest disbursed, did not take into account this huge growth.

A metric more descriptive than total interest payment is: the amount of interest paid per dollars disbursed. According to DFAS, the Army paid $2.7 million in interest and penalties against total disbursements of $19.8 billion during the first four months of fiscal year 2003. Phrased differently, interest and penalties equaled just .013 percent of all disbursements, which constitutes an improvement compared to the pre-war, fiscal year 2002 rate of .018 percent. This alternate perspective tells a different story. The fact that DFAS and the Army made timely payments without generating penalties on 99.987 percent of our bills—under wartime conditions and using current manual processes and systems—appears positive.

The long-term solution to the twin problems of non-integrated processes and the Herculean manual efforts required to execute them is not to work harder, but to work smarter. We must re-engineer old business processes, enable integrated business systems and eliminate manual work. We want to leverage the existing technology found in integrated business solutions, such as those pioneered by the private sector, to support our re-engineering efforts. Toward that end, we proposed to pilot an integrated enterprise resource planning (ERP) solution and asked for DoD Comptroller support and cooperation.

On 2 March 2004, we hosted the first meeting of the General Fund Enterprise Business System (GFEBS) Executive Steering Committee (ESC). Members of the ESC include the major command resource managers, as well as representatives from select Army Staff elements, select DoD Staff elements, the Air Force and the Navy. The meeting provided, to all those gathered, a complete update on GFEBS efforts to date. Look for progress reports in follow-on issues of our Resource Management Journal.

In closing, I salute your efforts to improve our stewardship of the taxpayer dollars entrusted to us and your dedication to supporting our great Soldiers. We are a nation and an Army at war. Because of our people, we will succeed.

Fiscal Year 2003 Army Resource Management Award Winners

Congratulations to this year's winners!!!

The reviewing panels have met and the Acting Assistant Secretary of the Army (Financial Management and Comptroller) has approved the selections for this year's Resource Management (RM) Awards. And here are the recipients.

CAPSTONE AWARDS

Assistant Secretary Of the Army (FM&C) Civilian Award

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. This year's ASA (FM&C) Civilian Award is awarded to Mr. Kenneth A. Littlefield, a supervisory budget analyst and Chief of the Military Operations Branch, Budget and Programs Division, Directorate of Resource Management, HQ US Army Corps of Engineers (USACE). Mr. Littlefield's efforts have been instrumental in the successful management of financial issues and funding of the critical Restore Iraqi Oil (RIO) and Restore Iraqi Electricity (RIE) missions. In addition, he has worked a number of complex Global War on Terrorism (GWOT) funding issues developing timely and often ingenious solutions.

Assistant Secretary Of the Army (FM&C) Military Award

The ASA (FM&C) Military Award recognizes the top military soldier serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. This year's ASA (FM&C) Military Award is awarded to MSG Donald Smith, a Finance Operations NCO at 336th FINCOM, Camp Arifjan, Kuwait. MSG Smith developed a database of Standard Operating Procedures to provide Reserve Pay sections a means to track and pay Hardship Duty Pay Location each month and a source of research information needed as part of the soldier verification and customer service process.

Functional Chief Representative (FCR) Special Award

The FCR Special Award recognizes the top civilian Army employee serving in a leadership capacity that the Principal Deputy to the Assistant Secretary of the Army (FM&C), serving as the CP-11 FCR, personally cites for outstanding contributions to the Comptroller Civilian Career Program (CP-11). This year's FCR Special Award is awarded to Mr. Arland J. Luster, a budget analyst in the Investment and Readiness Branch, Budget and Programs Division, Directorate of Resource management, HQ US Army Corps of Engineers. Mr. Luster distinguished himself

in the performance of collateral duties critical to the professional skills, training and development of financial management careerists while at the same time providing grass roots understanding of financial management for non-financial management professionals. He developed and administered budget training through the employment of personal lecturing, facilitating group discussion, and role-playing exercises. He further trained ten other instructors in course materials and motivated them and students alike making budget training informative, educational and enjoyable.

Outstanding Resource Management Organization Award

(Above MACOM) **CFLCC C8, FORSCOM**—CFLCC's C8 office developed internal and external processes to account and distribute over $9.4B to two separate Joint Task Forces, three forward commands and a 1200 person Headquarters. CFLCC provided the commander on the ground with an actual combat multiplier, funding to execute his daily mission.

> **Organization Members:** COL Billy R. Smith, LTC Michael Byrd, LTC Tom Piroli, Mrs. Mary Hansen, MAJ David Cannon, MAJ Robert Borders, MAJ Judy Webb, MAJ Michael Bachand, CPT Landon Moxley, CPT Eric Craig, SGM Shelton Milner, Ms. Audrey Moss, Mrs. Calma Jackson-Edwards, Mr. Reggie Smith, SFC Thomas Hetzel, COL Robert Roome, LTC David Dolph, LTC Douglas Smith, MAJ Terrel Boyd, MAJ Christopher Love, MAJ Keenan Wynn, MAJ Thomas Toomer, MAJ Marcia Smith, CPT Andre Tucker, CPT Michael Williams (USMC), MSG S.P. Terry Hughes, Mrs. Wendy Edwards, Mrs. Heather Hickey, SFC Elvis Edwards, SFC Jacqueline Durhal.

(Below MACOM) **AEC Travel Section, ATEC**—As one of the Army organizations to serve as the test bed for the Defense Travel System (DTS), the Army Evaluation Center (AEC) is at the forefront of operations to ensure that DTS will meet the needs of the Army and DOD. AEC Travel spent countless hours working with the various help desks, providing feedback to the contractor on how to make the system better and working with and training travelers on how to use the system. The AEC Travel Section has made a mark on the Army whose real value will be seen in future costs savings.

> **Organization Members:** Gaila Ahearn, SSG Carolina Hernandez, SSG Denis Moore, Karen May

Outstanding Resource Management Team Award

(Above MACOM) **US Army Congressional Budget Liaison Office (SAFM-BUL), HQDA**—SAFM-BUL has contributed to the advancement of the U.S. Army's Transformation, Readiness, People, Military Construction Programs and the immediate funding requirements of the Army for Operations Enduring Freedom, Noble Eagle, and Iraqi Freedom in its function as a liaison with Congress.

SAFM-BUL is a critical element to the Army in speaking with "One Voice" and has been key to getting the resources needed to continue to build sustainable momentum for Army Transformation.

> **Team Leader:** COL Christopher C. Romig
>
> **Team Members:** LTC Kirk Davis, LTC Kathryn Yurkanin, LTC Donna Shahbaz, Ms. Marie Hammiel, Mr. Joseph Guzowski, MAJ Mary Williams, LTC Mark Hamilton, LTC Steve Capalbo, Mr. Howard Snow, Ms. Margaret Kulungowski, LTC John Leggieri, LTC Thomas J. Stapleton, Ms. Brenda Davis

(Below MACOM) **HQ V Corps RM, USAREUR**—V Corps Resource Management team of civilian volunteers and assigned military deployed for Operation Iraqi Freedom (OIF) provided RM support for Army forces of 140,000. The team conducted operations from predeployment, through staging, attack, and then transition to the formation to Coalition Joint Task Force 7 (CJTF-7) including developing new funding strategies for operations with the Coalition Provisional Authority (CPA) and the reconstruction of Iraq.

> **Team Leader:** COL Michael A. Toner
>
> **Team Members:** LTC David Goddard, MAJ Yong Cassle, Ms. Beverley Maynard-Sims, Ms. Susan Goshea, Mr. Thomas Gallant, Mr. Dave Argenbright, MAJ Gregory Burke, MAJ Stephen Reed, SPC Decaris Graham, SGT Toyera Brown, MAJ Eric Keltz, MSG Danny Huffman, MS. Caroline Corwin.

Civilian Individual Awards

Accounting and Finance

(Above MACOM) **Ms. Deborah Moore, TRADOC**—Ms. Moore was responsible for Resource Manager procedures and training concerning implementation of PowerTrack. As the TRADOC technical representative, Ms. Moore not only ensured Command requirements were presented during the developmental portion of this deployment but also acted as the liaison with DoD and HQDA personnel and developed and presented a training package for command Resource Management personnel.

(Below MACOM) **Mr. Ronald Camp, USACE**—Mr. Camp's management of finance and cost accounting operations at the Army Corps of Engineer Research and Development Center has been crucial to its fiscal success. He was instrumental in establishing the organization's government travel card program, developing a comprehensive yearend closeout plan, and significantly enhancing the Corp's lead in the assimilation of the principles of Activity Based Costing (ABC).

Analysis and Evaluation

(Above MACOM) **Ms. Mary D. Villiva, IMA**—Ms. Villiva was a key leader in the first year of the Installation Management Agency (IMA) Europe Region. Her knowledge and natural leadership skills enabled a successful transition to the new IMA-E in FY03. During

the transition, Ms. Villiva expertly provided civilian and military manpower guidance and analysis at both the Area Support Group and Region level.

(Below MACOM) **Mr. David Green, AMC**—Mr. Green, through diligence and a thorough analysis of available information, will enable CECOM to avoid approximately $12M in costs during FY04 as a result of having developed a more realistic method for allocating the Defense Reutilization and Marketing Services.

Auditing

(Above MACOM) **Ms. Faye Ritter, AAA**—Ms. Ritter led her staff to the successful completion of three complex and significant audits. In doing so, she personally trained and managed an audit staff with limited experience in funds management and control to become knowledgeable in contract administration and fund issues related to the area they were addressing. She guided and supported her teams through the complexities involved. Ms. Ritter also kept her costumers informed throughout the audits, clearly and concisely explaining the intricacies of the findings.

(Below MACOM) **Ms. Janet Stallings, AAA**—Ms. Stallings was a Lead Auditor on one audit and Auditor-in-Charge on two additional audits. In each, she performed exceptionally establishing excellent relations with Command personnel, quickly gathering and analyzing significant quantities of complex data, and effectively communicating her findings and recommendations.

Budgeting

(Above MACOM) **Mr. Gregory Goehring, HQDA**—Mr. Goehring, acting on his own initiative, formulated a vision and then executed a plan to bring monthly execution data into the HQDA Resource Management database family. This initiative involved multiple actions and had several intended outcomes to benefit the HQDA Army Staff including the ability to obtain data more quickly, improved access, improved data presentation in understandable data structures, and provided an aid to the Army's leadership in bringing the metric of measuring how it consumes its resources to the forefront. This enabled the staff to complete the feedback mechanism between Requirements, Program/Budget, and now Execution putting more emphasis on the 'E' of PPBE.

(Above MACOM) **Mr. Kenneth Littlefield, USACE**—Mr. Littlefield's efforts have been instrumental in the successful management of financial issues and funding of the critical Restore Iraqi Oil (RIO) and Restore Iraqi Electricity (RIE) missions. In addition, he has worked a number of complex Global War

on Terrorism (GWOT) funding issues developing timely and often ingenious solutions. Mr. Littlefield was also recognized as this year's ASA(FM&C) Civilian Award recipient.

(Below MACOM) **Ms. Linda N. Trenck, FORSCOM**—Ms. Trenck performed superbly as Team Leader, Budget Execution and Analysis Team, Budget Division, Office of the Deputy Chief of Staff, G-8, US Army Reserve Command. She was responsible for planning, directing, and facilitating the work of an assigned team of seven military and civilian personnel responsible for providing budgetary guidance, advise and assistance to eleven Regional readiness Commands (RRC) and 33 Direct Reporting Commands (DRC) on the $1.7B OMAR, $934M RPA, and $8.3M OMA appropriations.

Comptroller/Deputy Comptroller

(Above MACOM) **Mr. Steven Pratt, IMA**—Mr. Pratt was the resource lynch pin for the Installation Management Agency, Europe Region (IMA-E) during the inaugural year of operations. His well-rounded knowledge and application of the interrelationships of all Resource Management systems and functions within the supportive Installation and broad Senior Mission Commander (SMC) missions enabled IMA-E to successfully stand-up and strategically plan its future ventures.

(Below MACOM) **Mr. Gordon Hurd**, IMA—Mr. Hurd oversaw major changes in fund allocation procedures with the development of IMA-E while working closely with USAREUR G-8 Staff. He provided key leadership in transforming the DRM organization to work effectively with two related but independent resource activities. He coordinated development of Force Protection requirements and cash flow until GWOT funding was provided; developed and managed changes in procedures for governing use of IMPAC card; prepared the FY03 guidance for ASG; and coordinated year-end close procedures.

Education, Training, and Career Development

(Above MACOM) **Mr. Arland Luster, USACE**—Mr. Luster distinguished himself in the performance of collateral duties critical to the professional skills, training and development of financial management careerists while at the same time providing grass roots understanding of financial management for non-financial management professionals. He developed and administered budget training through the employment of personal lecturing, facilitating group discussion, and role-playing exercises. He further trained ten other instructors in course materials and motivated them and students alike making budget training informative, educational and enjoyable. Mr. Luster is also the recipient of the FCR special award.

> For those who don't know, the RM Annual Awards Program is sponsored by the ASA (FM&C) and is designed to recognize and encourage outstanding performance of individuals, teams, and organizations throughout the Army. Open to both military soldiers and civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the "best of the best" in the Army's resource management community.

(Below MACOM) **Ms. Annemarie Terhorst, IMA**—Ms. Terhorst is the educator, trainer, supporter and single-handed coordinator extraordinaire for the Management Control Program and the Army Suggestion Program for the 98th Area Support Group serving 40,000 soldiers, civilian and family members in lower Bavaria.

Resource Management

(Above MACOM) Mr. Paul Richard, HQDA—Mr. Richard led ASAALT efforts to fund over 100 Army Strategic Planning Board requirements supporting OEF and OIF, coordinated preparation of 25 Congressional Appeals, 21 technical fixes, and 14 responses to Congressional inquiries, and worked jointly with G8, G3, and Army Budget Office to validate and prioritize 82 RDS requirements totaling $2.9B for the FY03 Supplemental.

(Below MACOM) **Ms. Cassandra Cooper, MEDCOM**—Ms. Cooper, working with an almost entirely new staff at Fox Army Health Center, overcame a beginning deficit of nearly $1M, entirely restructured a Master APC file, reorganized office positions, and rebuilt a relationship with MEDCOM. She has built her RM division into a more productive and reliable organization, which improves the overall productivity of the Health Center.

Cost Analysis

(Below MACOM) **Ms. Colleen Moore, AMC**—Ms. Moore provided matrix support to the office of the Project Manager, Warfighter Information Network-Tactical (WIN-T). She performed a multitude of complex tasks with acumen and unsurpassed skill in order to ensure that all the cost estimating inchstones were accomplished in preparation for the Defense Acquisition Board (DAB) Milestone. She met crucial deadlines under extreme conditions and was instrumental in moving one of the Army's cornerstone programs into the Systems Development and Demonstration phase.

Resource Management in an Acquisition Environment

(Below MACOM) **Mr. Howard Fine, AMC—**Mr. Fine developed an EXEL work file that cross-walked the contractor's proposed Contract Line Items to the spreadsheet. The spreadsheet included mathematical formulas that corresponded to the evaluation criteria specified in the Source Selection Evaluation Board. Mr. Fine ensured, based on SSEP criteria, that the dollar value of the Low Rate Initial Production proposals met the Cost as an Independent Variable threshold set by budget availability.

Military Individual Awards

Accounting and Finance

 (Above MACOM) **SFC Mark Hess, USASOC**—SFC Hess traveled to Afghanistan, Iraq, and the Horn of Africa to issue, close or audit accounts for Confidential Military Purpose Funding (CMPF). Total responsibility of accountable funds exceeds $1M.

 (Below MACOM) **CPT Darriel Burleson, TRADOC—**CPT Burleson directs the Finance Captains Career Course for the Finance Branch and is responsible for the development and instruction of the Disbursing Operations Course which is the basis of all Army disbursing training across the world. His tireless efforts have made significant impacts in developing careers for junior finance officers who performed admirably in OEF and OIF during FY03.

Analysis and Evaluation

(Above MACOM) **LTC Michael Boller, HQDA**—LTC Boller developed and mapped the Resource Framework, an automated means of depicting Army resources by key functional areas within the context of the CSA Transformation agenda. The outcome of this effort is a tool that represents a unified Army articulation of resources which is used across the HQDA staff as our 'one voice' expression of resource posture.

(Above MACOM) **LTC Crispin Monge, HQDA**—LTC Monge developed the concept of a single automation tool (the Manday Utility) that would accurately and consistently calculate and program both statutory and non-statutory reserve component mandays required for schools and special training across all PEGs.

Budgeting

(Above MACOM) **MAJ Curtis Charleston, USASOC**—MAJ Charleston spearheaded the effort to replace the antiquated budget system as the action officer for the Implementation phase of RM-Online. MAJ Charleston also formulated the specific customization of RM-Online to meet USASOC's unconventional requirements.

Comptroller/Deputy Comptroller

(Below MACOM) **LTC David Coburn, USAREUR**—LTC Coburn, as the Comptroller USASETAF, provided support to Operation Iraqi Freedom, Operation Enduring Freedom, and multinational peacekeeping operations in Liberia, Africa. As a direct result of his ability to conduct financial management operations in an austere environment, the 173rd Infantry Brigade (Airborne) enjoyed unparalleled resource management and contracting support. Through his tireless efforts and ingenuity, LTC Coburn was able to conduct split-based operations and simultaneously provide resource management support to both the 173rd and USASETAF.

Education, Training, and Career Development

(Below MACOM) **MSG Donald Smith, 336 FINCOM**—MSG Smith developed a database SOP to provide Reserve Pay sections a means to track and pay Hardship Duty Pay Location each month and a source of research information needed as part of the soldier verification and customer service process. MSG Smith is also the recipient of the ASA(FM&C) Military Award.

Resource Management

(Above MACOM) **MAJ Lance Christen, HQDA**—MAJ Christen orchestrated the FY03 OMA mid-year review for all of the Army's 27 MACOMS. His outstanding level of coordination and first class MACOM support were invaluable in sustaining Army Resource Management success during a crucial time of war. He was also the driving force behind a successful year-end closeout and the initial stages of the FY04 OMA Funding Letter building process.

(Above MACOM) **SGT Jesse Smith, INSCOM**—SGT Smith served as the Comptroller NCOIC of the Office of Military Cooperation-Afghanistan (OMC-A) responsible for monitoring, reconciling, and validating expenditures for an annual budget of $450 million. He validated the propriety of purchase, contracts and disbursing documents. He also assisted in preparing requests for temporary duty and updated financial systems and document registers.

(Below MACOM) **SSG Alysha Hopkins, INSCOM**—SSG Hopkins served as the NCOIC of the Combined Joint Task Force 180 Kandahar Airfield Forward Comptroller Office from 5 Jan 03 to 9 Jul 03 and NCOIC of the 116th MI Group Resource Management Office at Fort Gordon during the remainder of the year. She helped manage over $400,000 in reimbursable MIPRs, execute $133M in support of Coalition, US Military Forces, and civilian personnel, and execute the duties of the actual OIC for a period of one month. SSG Hopkins is a consummate professional who displays a "can do" attitude and serves as an excellent role model for junior soldiers.

Outstanding Intern Award

(Above MACOM) **Ms. Connie McAuliffe, AAA—**Ms. McAuliffe demonstrated superior leadership ability and initiative by stepping in to run an entrance conference on her very first audit assignment, when the team leader was unable to attend at the last minute. She performed critical analysis at six sites and drafted site reports—normally a team leader's job rather than the trainee's. In addition to her assigned area, Ms. McAuliffe stepped in to assist other team members complete their reviews. Ms. McAuliffe's suggested actions to the Army will make significant improvements in management controls and strengthen the Army's process to ensure resources are safeguarded and used effectively and efficiently.

(Below MACOM) **Mr. Martin Roggio, AMC**—Mr. Roggio was a key member of the first group of AMC Fellows, a workforce revitalization effort developed by AMC Headquarters. He also participated as a key team member in developing the AMCOM portion of the Concept Plan for Fleet Management Transfer from TRADOC to AMC and support the adoption of the Strategic Readiness System/Balanced Score Card for the directorate. In every assignment, Mr. Roggio performed at a level far beyond that expected of an intern and has been a valued member of the Resource Management Directorate at AMC.

Resource Management Author of the Year Award

(Civilian) **Mr. John DiGenio, EUSA/USFK**—Mr. DiGenio is one of the most prolific and provocative writers in the Army today. He has contributed articles to Resource Management, Armed Forces Comptroller, Army Logistician, Army Communicator, Signal, Phalanx, and Army AL&T. Mr. DiGenio's published professional papers have been well written in an easily comprehensible format. His articles address diverse topics such as the need to develop leaders to guide the Department of Defense in the new millennium and the challenges facing U.S. personnel in the Korean theater. Mr. DiGenio's endeavors to produce solid and professionally written articles for publication have earned him the respect and admiration of his colleagues and supervisors.

(Military) **MAJ Geoffrey Ballou, FORSCOM**—MAJ Ballou, while serving as the budget officer in Bagram, Afghanistan in the Spring of 2002, authored an article that tells the stories of the heroes of the Third US Army Resource Management office in their support of Operation Enduring Freedom. His efforts documented the extraordinary efforts and the successes of the soldiers and civilians assigned and attached to Third Army during the first phase of the Global War on Terror. Beyond providing information and entertainment, the article has also been extremely valuable in capturing lessons learned that can be applied to future Resource Management deployments.

This year's awards will be presented at "Army Day" as part of the American Society of Military Comptrollers' Professional Development Institute in Cleveland, Ohio on June 1-4, 2004.

The FY 2004 award program will be formally announced in July 2004 with nominations due to the Comptroller Proponency Office in late October 2004. We look forward to many more nominations. Although there were several this year, not all award categories had nominations.

Again congratulations to this year's winners and congratulations to all who were nominated, a significant accomplishment in itself. You have all demonstrated superior aptitude and outstanding performance. Great job!!!

About the Author:

Major Andrew J. Hyatt is a Program/Budget Officer in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

The Army at War—Leveraging our Resources for Soldiers

Robert W. Young

Resource management can quickly become very challenging when OPTEMPO increases dramatically or major changes occur in organizational activities. There are numerous methods and tools available to assist Resource Managers (RMs) during this time, as well as during normal operations. One valuable method available for Army RMs is Cost Management and Activity Based Costing (CM/ABC).

CM/ABC is a managerial costing approach to measure the historical cost of resources consumed by activities that produce products and services delivered by an organization. CM/ABC provides costing information that allows managers at all levels of an organization to know what resources are being consumed by activities, and how much these activities are contributing to the delivery of the organization's products and services. The Army's CM/ABC Program is managed through the Army's 11 Business Areas, which are – Acquisition, Base Operations Support, Civilian Human Resources, Contracting, Depots, Information Support, Institutional Training, Ordnance, Research &Development Laboratories, Supply Management, and Test & Evaluation.

The Army's CM/ABC Program allows local managers to build their own models that describe their organization's operations. All levels of managers receive information from their model about the contribution of their activities that lead to products and services being delivered to their customers.

They can continually measure their organization's return on investment based on the resources consumed by the activities that lead to the products and services for that portion of the organization, and to measure the performance of these activities. The Diagram below that the Consortium of Advanced Manufacturing – International (CAM-I) developed provides a depiction of the cost view (ABC) and the process view (ABM) that is an integral part of CM/ABC.

Figure 1 illustrates two views for a CM/ABC Program. As mentioned previously, ABC represents the consumption of resources by activities that lead to the products and services produced by an organization. The Activity Based Management (ABM) view illustrates the process leading to improved performance from using fewer resources, producing in less time, and/or improving the quality of products and services.

How can one determine whether or not their CM/ABC Program is fully operational? A CM/ABC Program becomes fully operational when all levels of the organization's managers are receiving and reviewing cost initiatives from nearly every individual and organizational unit within the organization on a continuing basis. Army installations with an operational CM/ABC Program conduct quarterly productivity reviews in which cost initiatives from all organizational units are presented and reviewed for viability. These cost initiatives typically originate from workers who provide recommendations for cost savings, increasing work related efficiency, and improved productivity. There are numerous methods for identifying how to improve the way work is accomplished. The advantage offered by ABC is that when cost savings, work efficiencies or performance improvements are realized, quantitative documentation of the improvements is available from the ABC model. This provides a quantitative measure of the magnitude of the cost initiative or process change in dollars.

Historically, some improvements in one organizational unit have resulted in the reduction of resources in another. Other unit cost savings only resulted in the cost being transferred to the overhead for the

Figure 1: Expanded ABC Model
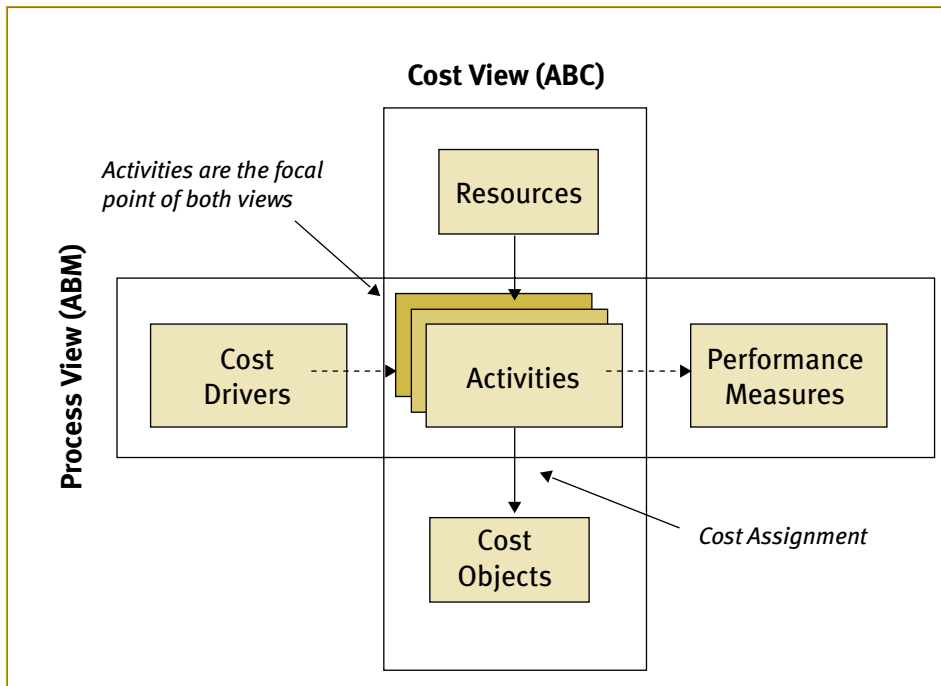
entire organization. The CM/ABC Models for an organization provide cost and activity information for the entire organization as well as the major units of the organization. By reviewing the organization's model, effects that unit improvements have on the entire organization can be reviewed, and potential sub-optimization improvements can be identified and evaluated as to their overall impact on the entire organization as well as on the specific unit.

The ABC models are valuable tools for Army installations to use for processing cost data in conjunction with operational activities. However, their value is not realized until the organization from top to bottom nurtures a culture where nearly every member of the organization is actively involved in how to do their work faster, better, cheaper and easier. Where this cost management culture exists, the organizational cost initiatives are generated in large numbers as individuals throughout the organization continually think about business improvement and act to make these improvements happen.

How do cost initiatives relate to our soldiers at war? The following are examples of successful cost initiatives at Army installations that substantially benefited our soldiers.

a. One Army installation where the CM/ABC culture has been sustained for a number of years noticed that phone calls from our soldiers overseas to home were operator assisted calls resulting in expensive phone bills for our soldiers. By routing these long distance calls directly and eliminating the need for operator assistance, our soldiers were able to make long distance calls at a significantly reduced rate. These savings allowed soldiers to save money and/or to talk with family longer (quality of life improvement).

b. Another cost savings initiative occurred when Army personnel successfully completing Army courses were simultaneously awarded college credits. This required extensive coordination between the college and Army school personnel to have many Army courses accredited by the college administration. This was accomplished and lead to cost savings in the millions of dollars for the Army's GI bill by reducing college credit requirements for Army personnel.

c. Community services provided to our soldiers and their families have been improved substantially when the culture of CM/ABC lead to increased involvement with the local community. People from the local town were invited by the Army to participate as volunteers to support the base community service activities at the Army installation, i.e. caring for horses, working at golf tournaments, and assisting with after school programs. The community services were significantly improved without additional costs while the volunteers received satisfaction by donating their time to support Army families.

Are cost savings that result from Army CM/ABC cost initiatives taken away from the organization? The answer is definitely, no. Army leadership has clearly stated in policy documents that the money saved using CM/ABC will be kept within the organization that realizes the savings for use by that organization.

The Army's CM/ABC website at **http://www.asafm.army.mil/ceac/cm-abc/cm-abc.asp** provides announcements and information relating to CM/ABC that include policy memos, an ABC tutorial, CM/ABC class briefings, and articles pertaining to business improvements and cost management. Starting in FY04 there are monetary awards for the best cost initiatives enacted by Army installations. This awards program is described at this website along with directions for applying for these cash awards.

About the Author:

Mr. Robert W. Young the Deputy Assistant Secretary of the Army for Cost and Economics, a frequent contributor to Resource Management *retired on April 1, 2004 after serving the Army for 34 years.*

The "E" in PPBE stands for Execution

Planning • Programming • Budgeting • Execution • Planning • Programming • Budgeting • Exe
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Gregory L. Goehring and Lieutenant Colonel Mike Boller

Ask how the Planning, Programming, Budgeting, and Execution process (PPBE) is interconnected and you can get a fairly consistent explanation of how planning is linked to programming, the program is linked to the budget, and budgeting links to execution. The really interesting question would be "what feedback does execution provide to the PPBE process?" In the past, the answer to this question would be "minimal, if any."

The purpose of this article is to enlighten you as to "how" execution can be used in the PPBE process. Not just as a budgeting tool, but to help shape the plan and the program.

Past Experience Using "Execution" Data In The Program/Budget

Prior to three years ago for Program Objective Memoranda (POM) 03-07, feedback from execution was limited to the Major Commands (MACOM) POM builds. During their POM build, each MACOM is allowed to take any future year's funding and move it from one existing program to another. There are some limitations on the movements, but the intent is to have the MACOMs align their dollars and manpower to represent what is actually occurring "on the ground." This realignment took place at the beginning of the POM (i.e. the programming) process and represents the MACOM Commander's desires.

During the POM, the Program Evaluation Groups (PEGs), which represent the Army Staff and Secretariat, are charged with the responsibility to review these submissions. Normally, the PEGs may only "disapprove" submissions if it breaks a rule:

- Reverses an OSD or Army Senior Leadership decision
- Migrates OPTEMPO to/from a non-OPTEMPO program
- Adjusts OSD & Joint oversight programs
- Creates civilian un-affordability issue
- Adjusts a centrally-managed program
- Other violations, such as creating "must fund" bill (e.g. moving money out of leases, without terminating the lease)

After these MACOM POM submissions are completed, everything goes through the HQDA and Department of Defense (DoD) Program and Budget process. The effects of this process could (and did) effectively reverse the original MACOM submission. This was often done without knowledge of the impacts on the people who execute the budget.

POM 03-07 was a tumultuous time for PPBE. A new administration was in place

and the rules we had known for over 3 decades had changed. The POM started at its normal time, with the MACOM POM and the PEG POM completed. But fiscal and defense guidance from OSD did not arrive at its normal time. And, before we received this crucial guidance, we received the first of many changes to the PPBE process.

The first change we received was that DoD decided to have a combined POM and BES (Budget Estimate Submission) submission. Specific guidance on the "how" to accomplish this had to be developed, and implemented, while we were in the middle of the POM/BES cycle. Our going in position was: POM = BES.

The Army introduced the Resource Framework for POM/BES 03-07. Based on the Army Vision, the Resource Framework standardized the reporting requirements between the program and budget (i.e. everyone started using the same definitions.) The intent was to tie all elements of PPBE together using the Resource Framework, to allow us to trace a change in the strategy through to execution and to allow the execution to inform the program and budget.

Another major change the Army made was the introduction into programming for "Year-of-Execution bills". "Year-of-Execution bills" are bills that, for one reason or another, consistently exceed the program/budget amounts (e.g. Military Training Specific Allotment [MTSA] has been a year-of-execution bill for several years.) Prior years' execution and the MACOM mid-year reviews helped the Army Budget Office develop estimates on what would actually have to be paid in the (future) year-of-execution. The thought here was: If we know it is going to be a year-of-execution bill, let's reduce the budget turbulence by planning for it.

We finished POM/BES 03-07 on 10 September 2001. The next day, the plane hit the building. On 13 September, based on additional top line and brand new set of priorities, we re-built POM/BES 03-07 in a little over 2 weeks. Who said that PPBE wasn't flexible?

POM/BES 04-09 was our first planned attempt to make POM = BES. Armed with the previous year's experience, we

meticulously put in all of the items that we knew we needed to have to make it successful. Transformation of Installation Management and Realigning the HQDA staff did make this cycle interesting, which included moving over 48,000 civilian spaces and Billions of dollars in funding. But, the most significant (unknown) problems we encountered were all generated by – you guessed it – execution (specifically, the Army Working Capital Fund, OPTEMPO, and Depot Maintenance.)

We took our lessons learned from 04-09 and incorporated them into POM/BES 05-09. The major change we incorporated into this POM/BES build was the inclusion of the MACOMs in the Civilian Manpower Working Group (CIMWOG). We did this to spend more effort during the MACOM POM build ensuring that HQDA understood what the MACOMs were trying to execute. After the HQDA review of the MACOM submissions, the CIMWOG met with each of the MACOMs, the PEGs, Appropriation Sponsors, and the civilian manpower experts in an attempt to resolve all pending disapproved transfers. The results speak for themselves: from a 10% disapproval rate (in previous years) to less than 1%.

And then 15 Management Initiative Decisions (MIDs) came out of OSD. Three of the MIDs have a direct impact on the PPBE process:

- MID 901 (Establishing Performance Outcomes and Tracking Performance Results for the Department of Defense);
- MID 910 (Budget and Performance Integration initiative);
- and MID 913 (Implementation of a 2-Yr PPBE Process).

Although this is not a discussion about the MIDs, they all have major implications too…using execution as part of the program and budget submissions.

Using Execution Data For POM/BES 06-11

The Army has been working the inclusion of execution data in the Army Resource Database for a couple of years. POM/BES 05-09 was the first instance of this data

being available during the programming phase. What this does, is at a macro level, provide programmers with the execution data, allowing them to make wiser recommendations.

Once planning guidance is available, the Program Evaluation Groups (PEG) begin work on building a balanced and affordable POM. In order to articulate Program needs, the Director, Program Analysis and Evaluation (DPAE) considers the program requirements. Up until POM 02-07, requirements were managed on charts, not stored electronically. The DPAE initiated action to capture and store requirements in data format, similar to the financial community's PROBE snapshots, which record, in database form, the Army's resource decisions. The recording of requirements in data format ushered in major changes to tools available to create a balanced and affordable POM and Budget.

The availability of requirements data allowed analysts to measure how much of a program was funded, in terms of percentage funding. By having open access to requirements data, analysts throughout the HQDA Staff could arrive at the same reference point (funding vs requirement) to begin their analysis and resource discussions.

At this point in time, the HQDA had available to its decision process a recorded statement of program requirement, historical and current funding profiles, and a gross view of prior year's execution data. The latter was stored primarily as adjustments to prior year Budget data.

The missing link in the analyst's toolkit was reliable, detailed execution data. While there was limited access and paper report access to macro level execution data, in the summer of 2000, Army DFAS execution data was moved into our DAQS SQL Server database family. This meant that HQDA analysts could now access execution data using the same tools being employed to access requirements and funding information. Execution data provides the perspective of "how" commanders spend their dollars. Or, better stated, Execution data shows the commander's resource priorities and how they want to execute their resources in the future.

Having the 'triad' (requirements, funding, execution) of data stored together in similar fashion supports the following approach to building the Army's POM and Budget:

1. Requirements are captured at three levels: requested, validated, and critical. These begin the process of defining what is needed to maintain a viable program.
2. Funding is then applied against requirements to achieve leadership guidance and to express a 'level' of support that is expressed as a real metric…. "percentage of". This can, in turn, be expressed subjectively as green, amber, red or any other descriptive measure.
3. Execution data becomes the true 'validator' of the requirement, given funding constraints, and depicts a level of 'priority' as leaders confront the reality of day-to-day fund requirements.

These three resource components then form a spiral process that continues from cycle-to-cycle. The future of 'execution' data is promising, but there will be significant work to be undertaken. Recent emphasis by Government leadership for performance metrics exponentially increases the need for access to execution data.

Today, the HQDA Staff has access to a single, macro level file that incorporates feeds through DFAS from all of the legacy systems (STANFINS, SOMARDS, etc.) This data is cleansed each month at DFAS with MACOM participation. As a result, the data is 2-4 weeks old before it is readily available, but it has been cleansed.

Another effort by the ASA-FM and DFAS is the Operational Data Store (ODS), which provides access to individual transaction level execution data. The task of integrating the legacy systems remains to be completed…no small task. Additionally, the data repository is huge, thus straining available processing power by large volumes of potential users. The single greatest benefit is access to near real time data or now data.

Execution In The Future

The Management Initiative Decisions (MIDs) were briefly mentioned earlier, but we anticipate they will have a significant impact on the program and budget in the years to come. These MIDs all have several common threads. The first is the use of the Risk Management Framework as the reporting medium. The second is the use of execution data for the management of DoD. The following paragraphs give an indication of where OSD is heading with the MIDs.

MID 901 (Establishing Performance Outcomes and Tracking Performance Results for the Department of Defense) intends to measure defense outputs versus its strategic goals. The Secretary of Defense will use execution metrics to monitor these performance results. The Army will be responsible for cascading and refining metrics with the available execution data. These metrics are still under development at this time, but may have a significant impact on how we capture and use execution data.

MID 910 (Budget and Performance Integration initiative) directs DoD to improve budget and performance integration. As part of this directive, the Army is responsible for associating execution metrics with any resources requested in the program/budget. The following goals have been set:

- 60% of programmed dollars in FY05 Budget
- 80% of programmed dollars in FY06 Budget
- 100% of programmed dollars in FY07 Budget

The execution metrics should evaluate if the performance achieves levels expected from resource expenditure. The Goal: Integrate cost and performance data into program and budget decision-making

MID 913 (Implementation of a 2-Yr PPBE Process) specifies a 2-year cycle, the first year being a normal POM/BES and the second year being a review of performance (read "execution") data. These metrics will

used to determine if resources were allocated appropriately in the budget. The Goal: Help DoD shift from an "input-based" focus to one that is focused on achieving "outcomes".

Summary

The end state is yet to be defined. It is likely that the Army will require a periodic snapshot from which to perform consistent analysis. The demand for quickly accessible data is growing. The ideal system would be a near real time transaction system where detail could be obtained with periodic snapshots at sufficient granularity, but some aggregation, to support necessary staff analysis and to satisfy information requirements of OSD and Congress.

It is interesting that we are in the infancy of changing how we do business, but importantly progressing towards methods that will support better Programming and Budgeting and attain accountability. In theory this will better optimize how constrained Army resources are postured against competing demands.

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Being Heard
The timing and contents of successful UFRs

Major Bob Unger

You unexpectedly deployed an armament maintenance team in support of Operation Iraqi Freedom. The procurement of white phosphorous grenades experienced a cost overrun due to a production problem. Track pads are being shipped to Iraq by air rather than the budgeted method of sea due to high OPTEMPO. The gym roof isn't going to last as long as planned and needs to be replaced now. New force protection guidelines require the assignment of permanent guards at all installation gates. These events were unplanned and were therefore not a part of your base budget. Your first thought is that you need more money. You could reevaluate your current execution to see if the ability to absorb the costs exists. More likely than not, your second thought is to ask higher headquarters for additional funds. But is

there a right time to make this request? Is there a time on the calendar that makes you more successful than others of actually receiving additional funds? Are there some key components that make your unfinanced requirement (UFR) stronger and more competitive?

If you ask people on the Army or a Major Command (MACOM) staff if they have heard of the PPBE process, most will raise their hand. If you ask these same people how many understand the PPBE process in its entirety, many hands will go down. An understanding of the resourcing process can give you the best times to submit UFRs.

Think of a brick wall, not too high, not too low. Now picture yourself placing an open hand on that brick wall. The wall itself represents the Army's resourcing system, called the Planning, Programming, Budgeting, and Execution (PPBE) process.

The individual bricks represent one piece of that process. Where your hand lies may be the piece of the process where you work.
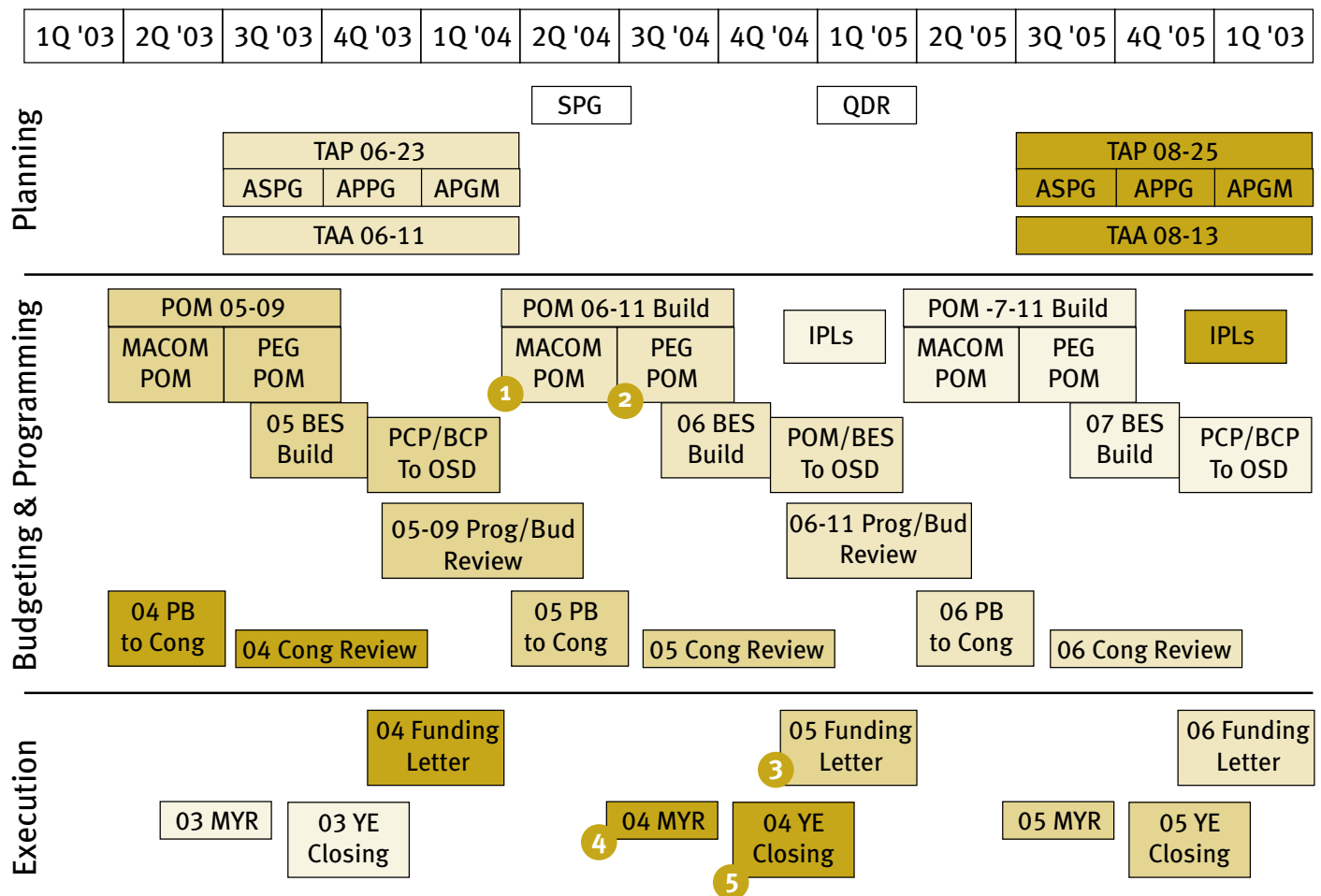
Now some people have bigger hands and they touch a couple of bricks, that is, their office directly coordinates with other offices. What people typically understand is that part of the wall that they touch. Therefore, they understand only a couple pieces of the PPBE process. Overall, most understand there are four stages, it is a long process, it starts with planning, and it seems to end with each of us never getting everything we ask for or need. The more bricks you are familiar with, the more you know about the wall, and more importantly, the more likely you are at having your request heard and receiving the funding you need.

As we get started, you must understand one key element, this article is not going to give you the location of a secretly buried treasure chest. It is not going to give you the gardening secrets to grow your own money tree. It is not going to give you a password so you can simply login and transfer funds from "big" Army into your account. It will explain when UFRs are expected at Headquarters, Department of the Army (HQDA). It will show the elements necessary to be a successful UFR. It will briefly review the PPBE process. It will give you the tools necessary to be more successful.

Recurring Calendar

The recurring calendar is a chart for you to pull out and refer to throughout the resourcing cycle. It shows the major parts of the PPBE process in a chronological order. The coordinating colors flow diagonally over time to show how one product follows another during the four phases. These are the major products or processes within PPBE. It shows the long lead-time between planning, which starts in the third quarter of one year, and execution, which start in the 1st quarter nearly three years later. More importantly, it shows that at any time, at least three of the four phases are being worked on. This is why it is so important to say when the money is needed, not just that you have an unfinanced requirement. Refer to this calendar as you follow the Influence Areas. A more thorough

Recurring Calendar

1Q '03	2Q '03	3Q '03	4Q '03	1Q '04	2Q '04	3Q '04	4Q '04	1Q '05	2Q '05	3Q '05	4Q '05	1Q '03

Planning

- SPG
- QDR
- TAP 06-23
  - ASPG | APPG | APGM
- TAA 06-11
- TAP 08-25
  - ASPG | APPG | APGM
- TAA 08-13

Budgeting & Programming

- POM 05-09
  - MACOM POM | PEG POM
- POM 06-11 Build ①
  - MACOM POM | PEG POM ②
- IPLs
- POM -7-11 Build
  - MACOM POM | PEG POM
- IPLs
- 05 BES Build
- PCP/BCP To OSD
- 06 BES Build
- POM/BES To OSD
- 07 BES Build
- PCP/BCP To OSD
- 05-09 Prog/Bud Review
- 06-11 Prog/Bud Review
- 04 PB to Cong
- 04 Cong Review
- 05 PB to Cong
- 05 Cong Review
- 06 PB to Cong
- 06 Cong Review

Execution

- 04 Funding Letter
- 05 Funding Letter ③
- 06 Funding Letter
- 03 MYR
- 03 YE Closing
- 04 MYR ④
- 04 YE Closing ⑤
- 05 MYR
- 05 YE Closing

review of this calendar, and the highlights of the entire process, is discussed in the PPBE Primer section.

One caveat about the recurring calendar, Office of the Secretary of Defense (OSD) has made significant changes to the PPBE process during the 05-09 build. As a result, no Program Objective Memorandum (POM) or Budget Estimate Submission (BES) was forwarded. Instead, the services submitted Program Change Proposals (PCPs) and Budget Change Proposals (BCPs). This is intended to force the biennial intent of the PPBE process. In theory, this will result in no POM or BES build in the odd years, making the recurring calendar outdated. In reality,

the MACOMs will still submit changes and emerging requirements. The Program Evaluation Groups (PEGs) will still conduct Management Decision Package (MDEP) briefs and realign funds. Changes will be forwarded and OSD will evaluate the Army's budget. What these are called is immaterial. A more complete explanation is in the PPBE Primer.

Influence Areas:

To present unfinanced requirements to the Army Staff, and have any hope of receiving funds, you must understand the process. The best places to introduce

your UFRs, I call the Influence Areas. The Influence Areas can be viewed as out or current year areas. Failure to introduce your UFR at one of the Influence Areas significantly reduces your chance of obtaining additional funding.

Influence Area #1. In the 2nd quarter of each year, the MACOMs build their POM. The MACOM POM is one of the first steps of the programming phase. It is where the MACOM informs the Army staff where they need money, primarily through realignment or new requirements. This is the best place to introduce requirements, especially those that are recurring. By introducing requirements here, the UFR competes with the fewest other

UFRs and on more equitable ground within each MACOM. There is a review process to determine which new requirements the Army staff accepts. While this is really the first opportunity for the MACOM to state what they need in the future, it is truly not the focus of most MACOMs. MACOMs, especially their subordinates, are not staffed for large-scale programming and focus more on execution. Approved requirements submitted to Influence Area #1 will not see funding for 20-24 months.

Influence Area #2. This is the second out year opportunity to present a UFR. In the 3rd and 4th quarter of each year, MACOMs, COCOMs (Combatant Commands), and staff functionals present limited or special requirements. There should be an explanation why these requirements were not presented in Influence Area #1. It may be due to inadequate or premature costing data. It may also be that the Army G3 has not yet validated the requirement. While some requirements compete successfully over the summer, this is not the best time to present unfinanced requirements. The playing field is less equitable as the needs of each MACOM are reviewed in support of their missions and the required capabilities across the Army. The focus of the PEG POM is the validation of funding for all their requirements and the distribution of resources across programs according to the risk categories in The Army Plan (TAP) and the operational needs. The introduction of new requirements will compete in the PEGs prioritization and Army G3's overall prioritization of all Army programs. Some people argue the concept of last in is first out, meaning the special requirements introduced into this phase carry a higher probability of being used as a bill-payer during the program budget review. In truth, if funding was diverted to this new "higher" requirement; it is not likely to become a bill-payer later. Funding for requirements presented at Influence Area #2 should not be expected for 14-20 months.

One major difference between Influence Areas #1 and #2 is that in Area #2, the UFR initially competes at the PEG level. At the PEG level, the UFR competes directly with other command UFRs or UFRs of PEG interest. An Influence Area #2 UFR may then not be carried as a high MACOM priority, further reducing the chance of receiving funds. These are the major steps for submitting UFRs in the out years:

- Identify MDEP/PEG (new MDEPs come from PAED)
- Prepare UFR (possibly Schedule 1 report)
- Ensure MACOM understands the UFR
- MACOM prioritizes and forwards to HQDA
- POC/sponsor briefs MDEP manages if necessary
- MDEP manager briefs PEG (may require separate program validation)
- PEG prioritizes all their MDEPs and distributes constrained funds

Influence Area #3.
This Influence Area is the first of the current year areas. Between Influence Area #2 and Influence Area #3, there is about a year where we are unable to present UFRs. In July and August, the MACOMs, and to a lesser degree the PEGs and staff functionals, once again have a chance to present their Operations and Maintenance, Army (OMA) unfinanced requirements as part of the OMA Funding Letter process. The OMA appropriation has the most flexibility of all appropriations; this may be largely due to the fact that this appropriation contains the majority of the service's discretionary spending. As such, the Funding Letter serves as an operations order or list of instructions, for the subordinate commands to follow concerning their allocations.

The first step of the Funding Letter process is to analyze where Congress actually gave us money. The "where" is arguably more important than the amount. The Army Budget Office (ABO) reviews Congressional adjustments. They also collect a list of requested UFRs and exemptions for the OMA appropriation. The UFRs should be

emergent requirements or a requirement that has significantly changed since its earlier validation. Once the collection phase for the UFRs and exemptions is complete, the database is forwarded to the Army G3 for prioritization. The exemptions are reviewed first. Since the programs in the OMA appropriation have been validated, it is more likely that a percentage of funding is taken from all programs in the form of a tax rather than the termination of one or two programs to pay the adjustments or new UFRs. An exemption then becomes just that, a program that is exempt from being reduced. The basic criterion to become an exemption is that the program cannot withstand a single dollar cut without becoming completely ineffective or the risk of cutting an additional dollar is unacceptable. The goal is to have as few exemptions as possible, thereby reducing the percentage cut to the non-exempt programs.

Once the exemptions are determined, G3 prioritizes all the UFRs. These are typically grouped into critical–must fund now, critical–can fund later, needs to be funded, and should be funded categories. Because truth changes over the course of the year, it is often desirable to postpone as many UFRs as possible till mid-year when an analysis on the execution rates and program effectiveness can be completed. Similar to Influence Area #2, UFRs presented in this area compete with a greater number other UFRs on a less equitable playing field since funding guidance will likely apply to a limited amount of UFRs.

These are the major steps in for Influence Area #3. The steps are similar for the other current year Influence Areas, but are based more on actual execution.

- Prepare UFR (OMA only)
- Ensure MACOM understands the UFR
- MACOM prioritizes and forwards to ABO

> Failure to introduce your UFR at one of the Influence Areas significantly reduces your chance of obtaining additional funding.

- ABO submits UFRs (and exemptions) to Army G3
- Army G3 recommends exemptions and prioritizes UFRs

Influence Area #4. This is the mid-year review. Like Influence Area #3, this Influence Area is focused on the OMA appropriation and is another opportunity to submit UFRs. The initial focus is on the MACOMs current execution and if they have any unexpected deviations in spending plans due to unforeseen circumstances. Where most Influence Areas are not intended to be opportunities to reintroduce existing UFRs, the mid-year review is just that. The MACOM may submit new UFRs, as well as those it delayed in hopes of under-execution in other areas. While it is hopeful that each MACOM would find slack in other areas of their budget, it is likely that they will bring more UFRs to big Army. Once again, the UFRs are collected by ABO, prioritized by Army G3, and funded according to guidance of Army Senior Leadership.

Influence Area #5. This is the year-end closing. This influence area provides another review of each unit's execution. It is likely that spending was not executed as planned. Therefore, some lower priority programs or high priority programs that were delayed may receive funding. While some MACOMs will not have high priority UFRs to spend their money on, other MACOMs may have several key UFRs. As such, funds can be redistributed as necessary.

UFR Components

Every command varies in the format and content of their UFRs, yet there are some common components. Some of these components may seem obvious but are sometimes overlooked or ignored. Other parts are just memory joggers to be considered as the UFR narrative is developed. Similar to the Influence Areas, the proper utilization of the key components can give you greater chance of funding.

The UFR has three basics parts: the heading, the narrative, and the justification. The heading contains that mandatory

data so the UFR can be easily categorized and grouped in the database. The basic elements of the UFR are the activity, MDEP, appropriation, title, the POC, and the shortfall. The activity tells everyone where the UFR came from. The MDEP tells what program the UFR supports. Depending on the program and the headquarters receiving the UFR, the Army Program Element (APE) may also be needed. The appropriation tells what types of funds are needed to support the UFR. In the out years, Influence Areas #1 and #2, the appropriation has less relevance since the database has not yet been submitted to the appropriation sponsors in ABO for the BES development. The current year influence areas must have appropriation data. The title is the name of the UFR. It should tell what is being purchased. The POC should be someone who can answer questions about the UFR, not the person who typed the UFR or entered the information into the database. Lastly, you must include the shortfall. This is the amount of funding your program needs. It should also include the validated amount and the current funding level. This gives a better perspective on the necessity of the UFR.

The second part of the UFR is the narrative. This is the meat of the UFR. It should not be lengthy, but direct and to the point. Do not include bias or become emotional, just give the facts. If your program is not common or well known, give the mission of your organization and how the funding of your UFR will enhance or reinforce your mission. Then describe the major aspects of the UFR. Here are some considerations for the narrative:

- One time or recurring
- Time phasing
- Cutoff date
- Type of funding
- Partial funding acceptability
- Manpower implications
- Restrictions

Simply stating that you need additional funding is not enough. Several considerations must be taken into account when determining the UFR. One time or recurring

lets the higher headquarters know if this is a UFR that should be programmed. If the UFR is funded once, is an obligation or precedence made to pay this bill annually? Time phasing lets them know if the program requires all its funding up front or can the program be paid incrementally. Is there a cutoff date for the funding? If the funding is tied to a specific event and the event has passed, there may no longer be a bona fide need. The type of funding addresses the color of money, the appropriation, required for the UFR. Partial funding acceptability considers if the UFR can accept less than 100%. Some projects, like construction, require full funding. It is not practical to build a house if your not going to pay for the roof. Inversely, if your UFR requires $15M but there is only $12M available, should your UFR be considered or should the next item on the total UFR list be addressed that costs $12M or less. Manpower implications are often overlooked. For example, an activity requests $6M to increase production but no thought is given to workload. The activity receives the funding as requested. To use the additional funds, the existing personnel are put on overtime, which creates a new UFR. One of the worst things you can do is receive funding for a UFR that generates another UFR. The last consideration looks at restrictions. Does the program come with special considerations? Is the program part of a ceiling, a maximum that can be spent? Does the program have congressional interest? Is the program fenced? Is the program part of a reimbursable program, which restricts the acceptance of appropriated dollars? Is the program part of a non-appropriated funds (NAF) account? These are some of the common considerations when writing the narrative.

The third element of the UFR is the justification. This is the impact if the UFR is not funded. It should be presented in a positive manner. It should relate to the audience. If the UFR can be related to success of other activities or commands, there will be more support for the UFR. Link the impact to current guidance or directives. Use key words or phases from the guidance. It shows you have read, and understand, what is required of your activity. Some

unsuccessful UFRs have impacts that say, "Without funding, we can not execute this program" and "This program is supported by XXX." These statements do not provide the details needed to make an informed decision. Remember, the impact is the key. If the only part read is the funding shortfall and the impact, make it good.

PPBE Primer

The PPBE primer explains the major elements of the PPBE process, those highlighted on the Recurring Calendar. It is not intended to explain every aspect of PPBE or the organizations involved in PPBE. A more thorough review of the entire process can be found in "How the Army Runs," specifically chapters 9 and 10 or AR 1-1.

Planning

The planning process kicks off the whole thing. At the Army level, it is the opportunity for leadership to provide a strategy, a vision, and goals. The plan is based on guidance from the President and the National Security Advisor, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and others. The guidance comes in many formal and informal publications. This guidance allows the Army to write the Army Strategic Planning Guidance, section I of the TAP. The TAP is generally published every-other year in coordination with a full six-year POM. Section I is the generic direction for the Army. It does not address funding and is more of an unconstrained path.

Section II of the TAP is the Army Planning Priorities Guidance. It lists the two core competencies of the Army, six strategic objectives, and the capabilities. These capabilities are prioritized according to their relevance in the Army's overall strategy. Section II assigns a risk category to each capability. There is also a definition of risk for the MACOMs and PEGs to refer to as they begin to evaluate and prioritize their programs.

Section III of the TAP is the Army Programming Guidance Memorandum or APGM. The APGM provides broad, general guidance for building the POM so that the appropriate resources are programmed to achieve the Army Vision and PEGs to effectively meet Army Senior Leader and Combatant Commander priorities. The publication of the APGM signifies the end of the planning phase.

Another key product of the planning phase is the publication of the Total Army Analysis (TAA). The TAA looks at the number of soldiers (combat, combat support, and combat service support), government civilians, and contractors needed to execute specified and implied missions. It is a nine-year planning horizon. It determines the required Army force structure through modeling and simulation. The major steps are the operating force inputs, the generating force inputs, and force feasibility review. Remember, this is still the planning phase, therefore this product is relatively unconstrained.

> The planning process kicks off the whole thing. At the Army level, it is the opportunity for leadership to provide a strategy, a vision, and goals.

Programming

The Integrated Priority Lists (IPLs) come from the COCOMs. This is their one direct way to influence the resourcing process. Since the COCOMs are the ones who actually coordinate the maneuver of forces for operations, it is important to give them a voice on what items they need. Although the IPLs are another form of guidance, they follow the guidance from the planning phase, as applicable, and usually arrive during the programming phase.

A POM is roughly a list of programs an organization wants funded. The POM build really has two parts. First is the MACOM POM. This is where the MACOMs inform HQDA of how they would like to realign funds or manpower. The realignment is done with Schedule 8 reports. It requests a transfer due to a change in mission, requirements, cost factors, or some other reason. It is a zero balance realignment of TOA. The MACOMs also introduce new requirements due to a change in mission or new guidance. This is done through Schedule 1 reports. These are taken to the PEGs to compete in part two of the POM build, the PEG POM. The PEG POM is where the MDEPs are briefed, validated, and funded to an acceptable level. This is based on the MACOM schedule 1 reports, planning guidance, PEG priorities, and the amount of funds available. The actual process varies from PEG to PEG. The G3 validates the actual need for a program while the PEG validates the amount of funding. Although the individual PEGs do much of the work, the Program Evaluation and Analysis Directorate (PAED) control this part of the process.

Once all the requirements are determined and funds are spread by the PEGs, the results are reviewed by PAED. PAED will take a historical look at each program's funding to ensure there are not large unjustified fluctuations. These fluctuations often become areas where OSD or Office of Management and Budget (OMB) will adjust the Army's funding strategy. Once the Army Senior Leadership approves the requirements, the POM is prepared and a consolidated list of all six PEGs is sent to the G3 for prioritization. This becomes the Army's 1-n list and serves as a guideline to make adjustments as funding levels or guidance changes. The POM is then sent to ABO.

Budgeting

Once the programming phase was complete, the database moves from the programmers in PAED to the appropriation sponsors in ABO. The ABO realigns the data from a perspective of MDEPs to appropriations. This is necessary because Congress provides funding according to appropriations; it is how the Army receives its funding. While PAED reviewed programs based on historical inputs, the appropriation

sponsors in ABO take a historical review based more on execution and outputs. Their data shows how and where the dollars were spent. The appropriation sponsors also have a more thorough understanding of appropriation law and can determine what type of funds are needed for what programs. The final product of the budgeting phase is the BES.

As the budgeting phase ends, the database is presented to both OSD and OMB. OSD and OMB review our budget submission against Executive, DoD, Joint, and other guidance. The database is also reviewed against the requests of the COCOMs. This is one way OSD/OMB keep the services from growing their requirements exponentially. OSD/OMB will try to find efficiencies and realign funds between the services or separate defense agencies. The review conducted by OSD is called the Program Budget Review (PBR).

The PBR is done through Program Decision Memorandums (PDMs) and Program Budget Decisions (PBDs). The OSD PAE office sends PDMs to change the Army's budget, primarily in the programming years. The USD Comptroller office sends PBDs to change the Army's budget, primarily in the budget years. The PBDs come first in a coordinating version where the Army is informed of the intention of OSD. The Army has about three days to respond to each PBD. OSD then considers the Army's response and sends a signed version. Then signed version tells the Army how the budget has been changed. If the Army still disagrees, the Deputy Assistant Secretary of the Army for Budget or Army Senior Leadership can negotiate a settlement directly with OSD. The final chance to change a signed PBD is a Major Budget Issue. This is where the Secretary of the Army (SA) and Chief of Staff of the Army (CSA) discuss the situation with the Deputy Secretary of Defense (DEPSECDEF).

Once the PBR is over, all the Services' budgets are compiled with the rest of the government's budgets to create the President's Budget or PresBud. The PresBud is the amount of money the President and OMB think it will take to run the

government for the next year. The President covers highlights of the PresBud in his State of the Union address. The complete PresBud, with all the budget justification material, is then due to Congress in the first week of February. By 15 April, Congress will make a counteroffer to the PresBud. The rest of the Spring and Summer is spent with the members of the Executive Branch justifying their budget to Congress.

An area that is new to the process involves PCPs and BCPs. In the odd years, or mini-POM years, OSD is no longer accepting a POM or BES. In a push to force the services to develop biennial budgets, OSD only accepts PCPs and BCPs in the odd years. These are minor changes to the existing budget so the services can focus more on measuring outcomes of the budget, as directed by the Government Performance and Results Act and the President's Management Agenda, and less time on budget build. The PCPs are intended for items that affect the POM years, are significant changes in scope or direction, and change more than $250M in the budget. Conversely, BCPs focus on the budget year, minor changes in scope or fact-of-life, and is intended for changes less than $250M.

Execution

The new fiscal year starts for the government on 1 October. Congress appropriates the money for the government around this time. Since it has been nearly a year since the Army has seen this budget, many things have likely changed. First ABO reviews all the appropriations. This is to see if the money we asked for is in the places we asked for it. To receive additional funds in a low priority area, does not necessarily equate to a "good deal" to the Army. To address the changes in the OMA appropriation, a data call is requested by ABO. The intent here is not to readdress previous decisions but submit truly emergent requirements. Accepted UFRs during the funding letter process means that other requirements must be decremented by an equal amount.

ABO monitors execution of funds for all commands. The mid-year review compares spending plans to actual spending. The desire

is not to introduce several new UFRs but to have enough generated slack in under-executed areas to cover the shortfalls in the over-executed areas.

The last part of the execution phase is the year-end close. Here each command and ABO ensures all dollars were spent judiciously. There may be an opportunity to address limited UFRs. These are usually high-visibility items that are not time sensitive. As the books are then closed, there is a review of metrics to see if the allocated dollars actually generated the desired outcome.

Conclusion

The PPBE process is very long and time consuming. It is designed to ensure that a strategy is developed and the resources are prudently allocated in support of that strategy. Every organization and command has ideas on how they can support the strategy and the resources they would need to be more effective. Since resources are limited, the Army must evaluate what is the minimum level of effectiveness acceptable by assigning levels of risk. As shortfalls or emergent requirements are identified, the successful person understands when to introduce the UFR and what components the UFR must include. This is the key to being heard.

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Army 2004 PPBE Planning Conference

Mr. Roy Capozzi

Continuing the effort to integrate all phases of PPBE, the Assistant Secretary of the Army (Financial Management and Comptroller) and the G-8, PAED jointly sponsored the latest edition of the annual event formerly known as the POM/BES Offsite. The conference took place 5-9 January 2004 at the Georgetown University Conference Center. 325 Army planners, programmers, financial, and manpower managers registered representing 25 major commands and operating agencies, 11 program executive offices, 19 HQDA offices, and 3 military educational institutions.

Conference Theme and Objectives

The overarching conference theme "Resourcing a Relevant and Ready Army" was taken from themes used by the Chief of Staff. "Resourcing a Relevant Army" served to remind the attendees that Army PPBE must support an Army at war and its soldiers. But at the same time, we must plan and resource Army transformation—building a future force ready to meet a broad array of challenges.

Building on the objectives of the Summer 2003 Army Resource Managers' Conference and the FY05-09 POM BES Offsite, the specific conference objectives were:

- Maintain a focus on supporting the warfighter.
- Support development of the FY06-11 POM/BES.
- Provide MACOMs and other stakeholders a forum for input into the resourcing process.
- Identify program, budget, and execution issues.
- Foster team building and information exchange.

Supporting the Warfighter

One of the conference highlights was the presentation by Lieutenant General Phil Kennsinger, Commanding General, United States Army Special Operations Command. General Kensinger described the changes and new technologies provided in the program and budget that continuously improve the capabilities of special operations. Accompanying General Kensinger was Sergeant First Class Frank Antenori, who recounted the Battle of Debka Pass in Iraq where two "A Teams" with Kurdish militia, outgunned and out manned, used high technology and extraordinary courage to defeat elements of an Iraqi task force that included T-55 tanks, armored personnel carriers, and motorized infantry.

Development of the FY 06-11 POM/BES

The conference evaluation questionnaire showed that the conference was successful in achieving one of the most important conference objectives, supporting development of the FY 06-11 POM/BES. Responses to three questions were particularly revealing:

Question	% Responding YES
Was the conference information relevant/needed?	91%
Do you feel more prepared for POM/BES development	87%
Was the information provided new news?	68%

These responses confirm the value of an annual PPBE Planning Conference as a training event. The conference provides an essential training mechanism to overcome turbulence from the significant personnel turnover in the PPBE community. The need was particularly acute this year because of the significant changes occurring to the PPBE process.

The Agenda

The conference began with working level, breakout sessions on Monday. Major command, operating agency, and PEO

presentations provided a preview of the requirements that would be forwarded to the Headquarters later in January. The sharing of issues produced lively discussions resulting in a better understanding between field and headquarters representatives.

The general session of the conference began on Tuesday and continued through noon on Friday. LTC Mike Boller, the Executive for Programming to the Planning, Program, Budget Committee and a key contributor to Army PPBE changes over the last several years, shaped the conference agenda and presented several sessions. The conference presentations covered the spectrum of PPBE phases and included briefings on issues and process. Many general officers and senior civilian executives took advantage of the conference to personally make presentations. The topics included:

Copies of each of the briefings are available at the PAED website at http://www.paed.army.mil/PPBE_Offsite/2004_PPBE_Planning_Conference.htm. A PAED/DAQS user ID and password are required for access.

Guest Speakers

The conference was very fortunate in obtaining a number of distinguished guest speakers to share unique and invaluable perspectives with the attendees. General George W. Casey, Jr., the Vice Chief of Staff of the Army, provided the conference keystone address. Reinforcing the conference theme, General Casey reminded the attendees that we are a Nation at war facing difficult challenges and that we must adapt. Mr. Kenneth Kreig; Director of Defense Program Analysis and Evaluation; and Ms. Robin Cleveland; Associate Director for National Security, Office of Management and Budget; provided insights into their respective agency's current issues and perspectives. The Honorable Dr. Dov Zakheim; the Under Secretary of Defense, Comptroller; provided an update on the Defense Department's current budget strategy and insights into the timing of the FY 05 supplemental.

Presentation of the Neil Ginnetti Award

The first presentation of the Neil R. Ginnetti award was made during the conference. The award was presented to Ms. Terry Placek. It commemorates the selfless service and enormous contributions made by the late Mr. Ginnetti who was the Principal Deputy Assistant Secretary of the Army for Financial Management and Comptroller from 1994 to 2001. The award recognizes individual contributions in support of military and civilian professional development and comptroller career management. Mr. Ginnetti's wife and children were in attendance for the presentation of the award.

Looking to the Future

The collaborative efforts of OASA(FM&C) and PAED in sponsoring the integrated 2004 PPBE Planning Conference resulted in an overwhelming success. OASA(FM&C) has decided to continue the series of resource management conferences and will schedule two events a year. One event will be Army day at the American Society of Military Comptrollers Professional Development Conference following the Memorial Day weekend. The other conference will be the integrated 2005 PPBE Planning Conference currently schedule for the week of 10 January 2005.

About the Author:

Mr. Roy Capozzi, a Program Manager and Research Fellow at Logistics Management Institute in McLean, Virginia, assists OASA(FM&C) and ODCS, G-8, on a wide range of projects.

Overview of PPBE and General Issues	Planning	Programming	Budgeting Execution
PPBE changes	G-3 Overview	G-8 Overview	Budget Overview
POM/BES calendar	Total Army Analysis FY 06-11	MACOM guidance	RY 05 Submission and FY 06/07 challenges
Well Being	Army Strategic Planning Guidance	Resource Processes	Congressional Issues
Operational Requirements Development	Army Program Priorities Guidance	Emerging Requirements	Metrics
Chief of Staff Focus Areas	Strategic Planning Guidance	Army Program Guidance	Update on Financial Systems
	Prioritization	BIC/Reset	

Business Process Engineering

Continuous Improvement through Rigorous Project Management and a Process Engineering Discipline

Major Geoffrey T. Ballou
(USAA) United Services Automobile
Association Training With Industry

A Refinancing Frenzy…

Title VIII of the Civil Rights Act of 1968 is commonly known as the Fair Housing Act. It marked the beginning of Congressional reforms designed to break down barriers in sales and rentals of housing, and make home ownership more accessible for all citizens.[1] Other housing laws and amendments followed this Act, including the Real Estate Settlement Procedures Act (RESPA) of 1974. Under RESPA, lenders are required to provide homebuyers with a written "Good Faith Estimate" (GFE) of closing costs within three days of receiving a loan application.[2] RESPA's requirements, however, began to cause problems for many lenders during the recent boom in new mortgages and home refinancing.

With interest rates at 40-year lows, consumers rushed to lock in both low rates and home equity gains, generating $5.9 trillion in new mortgages in 2002-2003, and cashing out more than $100 billion of home equity.[3] Many lenders were not prepared for this tremendous surge in volume, and consumers' mortgage queries often went unanswered across the nation[4] as lenders struggled to comply with RESPA's processing requirements.

Strict Project Discipline to Manage Unprecedented Volume

The United Services Automobile Associations' (USAA) members, however, have come to expect world-class service from the Association, and failing to answer members' queries was not an option. The Association needed to move quickly to support the members and to maintain regulatory compliance. Fortunately, USAA has a rigorous project management discipline to ensure the appropriate review, approval, and implementation of business process changes in cases like this. Under this flexible and adaptable process, a team of experts immediately set to work analyzing the problem and studying alternatives.

One of the initial suggestions for managing application volume involved closing the Internet portal once the Association had received the maximum number of applications it could process within three days. Under this scenario, online users could be stopped after completing a mortgage application, and asked to log on the next day to submit their work. The project team conducted a usability test on this process using actual members, and found that it was not the optimal solution, so they moved quickly to develop other alternatives.

Within a short time, the project management team had developed, tested, and recommended several viable courses of action. Based on the team's work, "Mortgage Services hired temporary operators to field incoming calls, authorized member service representatives to work overtime and set up a triage to handle the most urgent calls, such as requests for new home loans, first."[5] This is just one example of the process that USAA uses to decide which ideas make it to design and production, and which ones do not make it past the "review" stage.

Their rigorous approach to project management combined with a process engineering discipline is USAA's method of continuously improving its business operations. This multi-faceted approach is known in the Association as Business Process Engineering, or BPE.

with the country's changing demographics and with its members' evolving needs. Because of the evolutionary nature of the Association's growth, each new company launched with a full set of departments, i.e. accounting, human resources, marketing, data processing, payroll, collections, etc.

The Association's senior leaders recognized that there was great opportunity for cost savings by consolidating many of the departments that were duplicating functions across the company. Consolidating

The military counterpart to this process is found in the Department of Defense Business Initiative Council (BIC), featured in the 3rd Quarter, 2003 Resource Management (see Figure 1). The BIC "...was chartered to improve the efficiency of DoD business operations by identifying and implementing business reform actions..."[6] This is very similar to USAA's BPE process, offering an avenue to efficiently receive and review ideas for possible implementation. A program like this is critical to USAA and the DoD, where employees continually offer excellent suggestions, and where neither organization is content to rest on its many past successes. For an example of the need for a systematic program to manage change, please see Figure 2 for a description of inefficiency that we embrace as a way of life. USAA, however, has attacked inefficiency at every opportunity, and I had the chance to talk with one of their leading change advocates.

Managing Change

During my Training with Industry experience at USAA, I have been given broad access not only to training opportunities, but also to key leaders in the organization. So, while conducting research for this paper, I jumped at the chance to interview the Vice President for Enterprise Process Engineering who is responsible for the reengineering projects. He is charged with selecting the projects, and then developing and implementing the new processes that will help USAA on its journey to "Best in Class." His name is Scott Kaeppel, and he has the boundless energy of a reformer. With

a keen ability to focus on both operational and strategic issues simultaneously, he is able to balance the cost-cutting needs of the organization with the requirement for excellent, seamless service. One of his primary responsibilities is streamlining procedures within the Association.

Developing Centers of Excellence @ USAA

Although the reengineering program is truly multi-faceted, the core of the Business Process Engineering effort at USAA is eliminating redundant processes. The Association, by virtue of its development, had many opportunities for eliminating redundancies. Founded by 25 Army officers in 1922, USAA was initially solely an insurance cooperative. As the years went by, USAA began adding companies to keep up

these departments would also allow for increased customer service, since metrics and performance measurement would fall under only one operation, rather than five or six operating within different companies.

These consolidated operations came to be known as Centers of Excellence, or COE's. The traditional view of operations at USAA, and indeed in most legacy organizations, is the typical hierarchical structure (lines and boxes) shown in Figure 3. The COE view, in contrast, consolidates the common functions of each separate unit, tying them together operationally and strategically, while reducing long-term expenses by eliminating redundant functions and by improving responsiveness. (Figure 4)

The Center of Excellence to Drive all Others

The drive toward project management excellence took root in a large-scale COE effort that worked to consolidate the different project management communities throughout the company. Several companies, including Property & Casualty, Life, Bank, and the Investment Management Company had their own methods for managing change and executing projects. Before the COE effort could take root across the Association, these had to be combined, and that happened in August of 2002.

The drive of this effort was to develop a "…consistent approach to process and project management across the enterprise…"[9] in effect consolidating the team to be responsible for consolidating all other teams. Tim Handren, Senior Vice President of Enterprise Business Operations described the step as critical to USAA's journey toward excellence:

"Project Management at USAA is better than it's ever been, and possibly the best in corporate America today. Creating centers of excellence is the next logical step to accelerate USAA's achievement of the desired operating state and a process organization."[10]
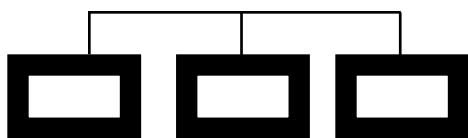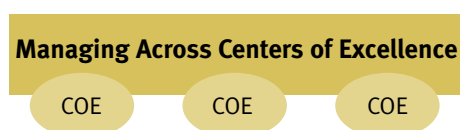
Figure 3

Figure 4

Managing Across Centers of Excellence

COE   COE   COE

Centers of Excellence in Action

The Project Management and Process Engineering COE, once formed, moved quickly in their transformation efforts, focusing first on the marketing functions. Previously, every company within USAA "owned" a complete marketing department. Based on the results of a process review in which employees identified specific opportunities for improvement, the team moved to consolidate key marketing functions within one Center of Excellence (see Figure 5). During the assessment, the team recognized that "…sharing some highly specialized functions will streamline cumbersome activities and establish consistent, world-class processes."[11]

Another example that perhaps is more analogous to the Services is the effort to consolidate compliance centers across the company. The compliance centers are responsible for ensuring that all of the Association's activities comply with federal, state, and industry regulations and guidelines. Given the numerous laws and regulations that the Armed Forces follow, one could argue that every unit has its own compliance section, perhaps down to battalion or even company level.

It's important to note that transferring a process to a Center of Excellence does not mean completely eliminating the organization(s) that existed before. Only those processes that can logically be combined are moved into the COE. In this case, for example, the companies and staff agencies "…maintain[ed] their existing compliance offices, at current staffing, for issues specific to their areas."[12]

The Unified Command Center—A Department of Defense Center of Excellence

Although they may use a different term to describe it, the Pentagon recently announced a Center of Excellence transformation. Under the new program, the service-run operations centers will merge into one Unified Command Center and "Resources and Situation Awareness Center," according to an October 16th DoD memorandum.[14] A Pentagon spokesman further elaborated, stating that, "The services will not run separate ops centers, however they will have designated areas to meet their Title 10 responsibilities." This is very similar to USAA transformations: consolidating the common functions, while keeping "unique functions" out at the company (or in this case the service) that is responsible for them.

"Defense Secretary Donald Rumsfeld approved this month a measure to overhaul the various operational nerve centers in the Pentagon…into one, multifunctional command center."[13]

—Defense Daily, October 23, 2003

Figure 6
Process Owners – Roles and
Responsibilities:

- Monitor process performance.

- Continuously evaluate end-customer needs.

- Make quick & effective process decisions.

- Evaluate non-value added steps.

- Measure Improvements.

- Policy/Governance.

- Continuous Planning.

The story goes on to explain the difficulties that DoD confronts in this reorganization, problems that face any organization that takes on a restructuring of this magnitude. "Despite strong efforts afoot in the Pentagon to run the services as a joint force, decades-old processes and cultures often slow the pace of change."[15] This problem highlights one of the key tenets of process engineering: support from the top.

The Champion and the Process Owner

The beginning of the mission statement for the Process Engineering Team at USAA is to "Enable centers of excellence…to continuously review and improve business activities…" The last part, however, is the key: "…by ensuring product and process owners are accountable through the appropriate measures." (Figure 6) Each new COE must have a designated leader, and that leader must have the support of the person at the top—the Champion— whether that is a CEO or a Chief of Staff. The reason for this is clear: the company presidents involved in a reorganization have had something stripped away from their organization, a process now owned

by someone probably junior to them. Working for the greater good of the parent organization sometimes means setting aside the interests of a single department, a position which may prove to be unpopular. The support of the Champion ensures that the process owner will have the necessary support to always act in the best interest of the organization.

Following the Path of Success

The Department of Defense, with its Business Initiative Council and recognition of Center of Excellence benefits, is on the path of successful change management. In instituting and fostering these programs, it is mirroring the successful corporate practices of USAA, widely recognized as a leader in managing change, and a continuing symbol of financial stability in a turbulent business environment. By maintaining the top-down support of the BIC program, and continuing to eliminate redundancy through creation of Centers of Excellence, the DoD will truly be able to lay claim to a goal to which we all aspire, that we are excellent stewards of the public's resources.

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About the Author

Major Geoffrey Ballou is one of five Functional Area 45 officers participating in the Training With Industry program, in his case with USAA. Major Ballou is a frequent contributor to "Resource Management."

Summary of Ethics Rules that Apply to DoD Employees

Matt Reres

Each of us has the responsibility to understand the Fourteen Principles of Ethical Conduct for Government Officers and Employees and to apply these principles to our activities as Department of Defense (DoD) employees. These Principles are the foundation of the Standards of Ethical Conduct for the Executive Branch and the Joint Ethics Regulation. Moreover, these Principles establish the minimum standards demanded of each of us who serves the United States. Although the particular ethics rules emanating from the Fourteen Principles are many, it is your individual responsibility to be aware of each of them. Your ethics counselor stands ready to assist you in advance of any decision you may make that involves these rules. To assist you in the correct ethical performance of your official duties, you should visit the website provided below to inform yourself of those ethics subjects and the specific rules that apply to you.

http://www.hqda.army.mil/ogc/EthicsForArmyLeaders.htm

Please Note. The rules in the CFR (Code of Federal Regulations) apply to all Executive Branch employees. The rules in the JER (Joint Ethics Regulation) apply to all DoD employees. Moreover, all the rules apply to military officers, enlisted personnel, and civilian employees (except where otherwise stated).

Frequent flyer miles. Prior to 28 December 2001, frequent flyer miles earned in official travel belonged to the government. On 28 December 2001, the President signed the FY 2002 DoD Authorization Act (Public Law 107-107). Section 1116 of the Act provides that frequent flyer miles earned in official travel may be kept for personal use. Frequent flyer miles earned in official travel are now the employee's personal property, whether they were earned before, on, or after 28 December 2001. [JFTR U1200 (A)(1); JTR U1200(A)(1)] IRS Announcement 2002-18 provides that the

IRS will disregard tax liability for use of frequent flyer miles earned in official travel, unless they are converted to cash.

Other travel-related benefits. If a Federal employee is on official travel and is bumped involuntarily from an overbooked flight, the compensation for the denied seat belongs to the government. [JFTR U1200(B)(2); JTR C1200(B)(2); 59 Comp. Gen. 203 (1980)] However, if a Federal employee is on official travel and vacates voluntarily her seat on an overbooked flight, the compensation belongs to the employee. [JFTR U1200(B)(1); JTR C1200(B)(1)]

Gifts from outside sources. Employees are prohibited from soliciting gifts from DoD contractors or other non-Federal organizations (e.g., a local business) in their official capacity. [5 CFR 2635.202(a)(1); 5 CFR 2635.202(c)(2)] Employees generally are prohibited from accepting gifts offered because of their official position or gifts from a "prohibited source" (e.g., a DoD contractor). [5 CFR 2635.202(a)] Nevertheless, there are certain items that employees may accept, such as:

- Modest items of food and drink that are exclusive of a meal (e.g., coffee & donuts).

- Gifts of $20 or less in value per occasion (never cash), as long as the total value of the gifts you receive from one source (e.g., one company) is less than $50 in a calendar year.

- Free attendance for you and spouse/guest at a "widely attended gathering" if an ethics counselor determines your attendance will further DoD programs or operations. [5 CFR 2635.204(g)]

- A gift of personal property from a Foreign Government if the value (in the United States) is $285 or less. Gifts with value exceeding $285 belong to the United States.

- A travel payment (e.g., a plane ticket) from a non-Federal source, if you will attend a meeting or similar function, away from your duty station, in your official capacity, and your travel-approving authority and ethics counselor

approve in advance. Payments of more than $250 per event must be reported to an ethics counselor using the SF 326. [31 USC 1353; 41 CFR Part 304-1]

- If your commander or supervisor approves your attendance at a ceremony to mark the completion of a milestone in tank manufacturing, helicopter completion, or similar vehicle success, you may accept (1) free attendance at a dinner, lunch and/or reception incident to the ceremony, and (2) gifts or mementos in connection with the ceremony, if their aggregate retail value is less than $100 per family, their cost is paid for by other than the Federal Government, and you are an official participant in the ceremony. [JER 2-300c]
- An employee who speaks at an event in an official capacity may accept free attendance at the event (including a meal) on the day of the speech. [5 CFR 2635.204(g)(1)] If the event is more than one day long, you may be able to accept free attendance at the entire event under the "widely attended gathering" rule. [5 CFR 2635.204(g)(2)]

Gifts to superiors. Employees generally are prohibited from giving gifts to their superiors. A superior may advise his/her immediate subordinates that NO GIFTS should be given by the subordinates to him/her, thus removing all of the attendant ethics issues arising from gift-giving to a superior. Should, however, the superior elect to receive gifts from subordinates in compliance with the ethics standards, please note the specific exceptions provided below for "occasional gifts" and "special occasion gifts." [5 CFR 2635.304]

Occasional gifts. 5 CFR 2635.304(a) provides that employees may give to their superiors, on an occasional basis, a

(1) An item or items with a value of $10 or less (other than cash);

(2) Food & refreshments that are shared in the office among several employees;

(3) Personal hospitality provided at a residence, of the type and value the employee normally provides to personal friends (e.g., inviting the neighbors over for dinner); OR

(4) An item the employee gives when receiving personal hospitality from the superior, of the value normally given on such occasions (e.g., when the superior invites you to dinner).

Special occasion gifts. These are gifts for the termination of a superior-subordinate relationship (retirement, separation, resignation, PCS, transfer) or for an infrequently occurring occasion of personal significance (marriage, illness, birth, or adoption of a child). [5 CFR 2635.304(b)] If the gift is from an individual subordinate, it must be "appropriate to the occasion" (there are no dollar limits). [5 CFR 2635.304(b)] Further, if the gift is from a group with one or more subordinates, the gift generally should be less than $300 in value; no employee may be asked to contribute more than $10 for the gift, but employees may choose to contribute more than $10 for the gift. [JER 2-203]

Soliciting. Employees may never solicit contributions from other government employees for an "occasional gift." [5 CFR 2635.304(c)(Ex. 2)] But they may solicit contributions for food and/or refreshments that will be shared in the office among several employees. [5 CFR 2635.304(c)(2)] They may also solicit contributions for a "special occasion gift." [5 CFR 2635.304(c)(1)] However solicitation from contractors and their employees is prohibited.

Off-duty employment/outside activities.

Off-duty employment. DoD employees are required to obtain prior written approval of off-duty employment if (1) they are required to file a financial disclosure report (i.e., SF 278 or OGE Form 450) and (2) they will be working for a "prohibited source" (such as a DoD contractor). [JER 2-206a] The general rule is that personnel must obtain prior

written approval for off-duty employment (including self-employment and employment during terminal leave).

Contractor advisory boards. DoD employees may never serve, in their official capacity, on an advisory board or advisory committee for a defense contractor. Employees who are considering serving as an advisor to a defense contractor in their personal capacity should follow the guidance on this subject in the DoD General Counsel memo dated 7 May 99.

General/Flag Officers. General/Flag Officers are prohibited from receiving compensation for serving as an officer or member of the board of any non-Federal entity (other than professional associations and closely-held family entities). Compensated service in the management of closely-held family entities or professional associations must be approved by the applicable Service Secretary. [DepSecDef Ltr, 23 Jul 96.]

Non-Federal Entities.

Participating in an official capacity. Employees should never participate in an official capacity in the management (e.g., as an officer, director or trustee) of a non-Federal entity without approval by the DoD General Counsel (DoD/GC). [JER 3-202] DoD/GC has stated that, to prevent conflicts of interest, the GC will disapprove service in a management position in a non-Federal entity in an official capacity (except where such service is authorized by law). [10 USC 1033 & 1589] An employee may serve in an official capacity as a DoD Liaison to a non-Federal entity if appointed by the commander. [JER 3-201a] In some instances, General Officers may appoint themselves as a DoD Liaison to a non-Federal entity.

Participating in a personal capacity. Employees generally may participate in a non-Federal entity in a personal capacity. [JER 3-300a] One exception is that an employee is prohibited from serving, in a personal capacity, as an officer, member of the Board of Directors, or in any other

similar position in a non-Federal entity that is offered to the employee because of his or her DoD assignment or official position. [JER 3-301]

Endorsement. Employees are prohibited from officially endorsing non-Federal entities (NFEs), or their products, services, events or enterprises (including conferences and golf tournaments). [5 CFR 2635.702(c); JER 3-209] However, employees may use official channels (e.g., letter, flier or fax) to notify other employees of events of common interest sponsored by an NFE. [JER 3-208] Notifications must avoid words of praise for the organization or the event. [DoD/GC Ltr, 28 May 96].

Events. An NFE may be allowed to use personnel, facilities and equipment for a non-fundraising event (JER 3-211a), or facilities and equipment for a fundraiser (JER 3-211b).

Conflict of interest.
It is a crime for an employee to participate (e.g., make a decision, give advice, make a recommendation) in any matter if any of the following individuals has a financial interest in the matter: the employee, the employee's spouse, the employee's minor child, the employee's general partner, or an organization or company in which the employee is serving as an officer, director, trustee, general partner, or employee. [18 USC 208(a); JER 5-301] Also, military officers and civilians (including while on terminal or annual leave) generally are prohibited from representing anyone (other than the United States) before any Federal agency. [18 USC 203 & 205; JER 5-401 & 5-403]

Financial Forms. General Officers, SES and SES-equivalents must file Public Financial Disclosure Report (SF 278) within 30 days after becoming a G.O., SES or SES-equivalent; each year no later than 15 May and within 30 days after leaving the government. [JER 7-203] Late SF 278 filers must pay a $200 penalty. [JER 7-203g] The Confidential Financial Disclosure Report (OGE Form 450) must be filed by Colonels, GS-15s and below whose position involves

decision-making or exercise of significant judgment in contracting or procurement. [JER 7-300] The 450 must be filed within 30 days after entering such a position and each year by 30 November [JER 7-303]

Political activities. Civilian DoD employees are prohibited from election and political activities that could associate the department with any partisan candidate or issue. These prohibitions include using official authority to influence or affect an election; soliciting or discouraging the political activity of any person who has business with DoD; engaging in political activity while on duty (to include wearing political buttons) or while in the Federal workplace; engaging in political activity while wearing an official uniform or displaying official insignia identifying the office or position of the DoD employee; soliciting political contributions from the general public; and being a candidate for public office in a partisan election (JER 6-203). Presidential appointees confirmed by the Senate and non-career SES members have additional limitations and prohibitions on activity that could be interpreted as associating the department with any political cause or issue (DepSecDef Memo, 7 February 2000). In addition to the above, among other restrictions, Members of the Armed Forces on active duty are also prohibited from public speaking (to include broadcasting on television or radio) which advocates a partisan political party or candidate; marching or riding in a partisan political parade; and selling tickets for, or otherwise actively promote, political dinners and similar fundraising efforts (DoDD 1344.10, E3.3).

Conclusion:
What should now be apparent to each of us is the breadth and complexity of the ethics rules that apply as we perform our official duties. Moreover, we should be aware that the performance of our official duties is linked inextricably to the performance of our ethics responsibilities. Although most will speak of values when standing before public forums, there are a few whose high words betray them when

they disregard the rule of law and replace it with their own judgment of what is right and proper. In the United States, none of us is allowed to pick and choose what laws we will follow during our public service. Unless we execute our official duties in absolute compliance with the rule of law and the Fourteen Ethics Principles, we have failed to perform our official responsibilities in the manner expected of someone who serves the United States. As every Member of the Armed Forces and DoD civilian employee must be acutely aware, each of us is obligated to uphold the rule of law now matter how difficult or unpopular. For that reason, we should remind ourselves on a frequent basis of the oath of office that each of us swore to uphold when we raised our right hand and said: "I will well and faithfully discharge the duties of the office on which I am about to enter." Without question, our compliance with the Fourteen Ethics Principles is required if we intend to discharge faithfully the duties of our office. As President George W. Bush counseled us as federal employees: "We must always maintain the highest ethical standards. In addition to asking, "What is legal," we must also ask, "What is right.""

About the Author:

Mr. Matt Reres is the Deputy General Counsel (Ethics &Fiscal) in the Army's Office of the General Counsel. Mr. Reres is a frequent contributor to "Resource Management."

Walter Reed Army Medical Center

Alan D. King, Deputy to the Garrison Commander, WRAMC

"Let me assure you that expanded leasing opportunities, available from our Enhance Use Leasing authority, is a key element of the Department's efficient facilities initiative."

RAYMOND F. DuBOIS, JR.
DEPUTY UNDER SECRETARY OF DEFENSE
(INSTALLATIONS AND ENVIRONMENT)
MAY 2002

Background (GAO Report 02-475 Defense Infrastructure)

DoD faces the challenge of dealing with a large backlog of facilities maintenance and repair and insufficient funding devoted to sustainment, restoration and modernization. To address this issue, DoD is pursuing a multi-pronged strategy to reduce infrastructure costs and to reshape military installations to meet the demands of the 21st century.

While the base realignment and closure (BRAC) process receives the lions' share of the publicity on how DoD is shaping installations for the 21st century, there are other options DoD leaders can leverage to make services and installations more effective and efficient. One of these options is the Enhanced Leasing Program (EUL), authorized by Congress in 2001.

The Walter Reed Army Medical Center (WRAMC) installation leadership has been at the forefront of DoD in capitalizing on the tremendous potential of EUL. WRAMC has successfully used EUL to leverage the conversion of unused, non-excess real property from a resource drain to a vital asset and revenue generator.

WRAMC EUL Case Study—Building 40

Results

In February 2004, WRAMC completed a EUL agreement that will result in the renovation of an unused historical building, Building 40. The private developer will plan, finance, and renovate Building 40 converting it into a modern office complex. The developer will then operate, maintain and manage the complex for 50 years. At the end of the lease, the property reverts to the Army. The private developer will provide $62 million in capital for the renovation. WRAMC will receive over $20 million as in-kind services and have a cost avoidance of $75 million over the lease term.

The Process

Building 40 at WRAMC has been vacant since 1998. As WRAMC leadership reviewed options to demolish, move, or renovate this historic building, Congress passed legislation allowing installations to enter into EUL agreements creating a win/win option for WRAMC. Apart from getting a historic building renovated at no cost to the Army, a market analysis validated that the renovated building could provide much needed secure laboratory and administrative space for federal agencies within the National Capital Region.

WRAMC prepared its EUL package in early 2002, and the House Armed Services Committee approved it in June 2002. In December, the Army approved publication of WRAMC's Notice of Availability to Lease (NOL), which is the document used to competitively select a developer. WRAMC held its Industry Forum in February 2003 and released its final NOL in March 2003. In May 2003, the Source Selection Evaluation Board selected Keenan Development Ventures, LLC (KDV) as the developer. Representatives from WRAMC and KDV conducted a partnering session in June 2003 in conjunction with the start of the development of the business and lease plan. WRAMC submitted the resulting business and lease plan to the Department of Army in December 2003 and the Department approved the plan in January 2004. This process moved with lightening speed compared to other possible options to renovate the building.

The Agreement

The WRAMC EUL agreement is structured to protect the interests of the government while minimizing both government control and liability. The federal government will not provide a guarantee of financing or assume any of the risk of the private developer. Nor will the Army be an "equity partnership" or participate in the day-to-day management of the facility. The developers will operate Building 40 exactly as if it were located on private property. WRAMC will have the right of first refusal to lease and occupy renovated space in Building 40, at fair market value, but with no guarantee of government occupancy for any of the space.

Future WRAMC EUL Projects

On 13 January 2004, WRAMC received approval on a second EUL proposal from the House Armed Forces Services Committee for private sector development of approximately 8 acres of land located on the WRAMC campus. The proposed EUL will result in additional administrative and laboratory space creating collaborative opportunities with other health care related entities, developing additional parking to ease the current severe shortage, and generating in-kind rent for the leased property. Further project details can be obtained at http://eul.ey.com.

Conclusion

The Enhanced Use Lease program is benefiting WRAMC by unleashing and leveraging the untapped value of non-excess real property assets and putting them to productive use. Not only will Building 40 be renovated at no cost to WRAMC, but the lease will also result in substantial in-kind payment and significant cost avoidance over the life of the lease. The private sector resources leveraged through WRAMC's EUL efforts will ensure the vitality of the post and provide much needed resources for other WRAMC mission needs and priorities.

About the Author:

Mr. Alan D. King is currently employed at the Walter Reed Army Medical Center, where he serves as Deputy to the Garrison Commander.

Leveraging Army Resources

Leverage is "the power and influence for attaining an end." Leverage can help get results quicker, more efficiently, and at a lower cost. It can free up appropriations for other military purposes.

The Department of Defense (DoD) has the authority to use leverage to obtain private sector financing to improve needed facilities and infrastructure. Leverage has been successfully used to obtain private sector capital to finance construction, modernization, restoration, and operations and maintenance of family housing units through the Residential Communities Initiative and Utilities Privatization Program. Leveraging private sector capital is important because it frees up Military Construction, and Operations and Maintenance funding for other military purposes.

A powerful DoD leveraging tool was expanded in 10 USC 2667 of the 2001 National Defense Authorization Act. This tool, known as Enhanced Use Leasing (EUL), allows the DoD to outlease non-excess DoD real property (land and facilities) to the private sector in return for remuneration – cash or in-kind services. Leases of unused or underutilized real estate can be used to fund a wide range of projects such as maintenance, protection, repair and improvement of existing government facilities, construction or acquisition of new facilities, and restoration of property or facilities to include environmental restoration. Using EUL can result in projects such as new or renovated offices, warehouses, and lodging facilities. It

can be used to obtain or enhance mission facilities, such as test tracks and hangars that can be used jointly by the military and the private sector.

The use of leverage to obtain private capital for DoD/Army purposes achieves two important outcomes. Directly, cash or in-kind services resulting from an EUL project can be used to fund mission priorities. Indirectly, commanders can use EUL to leverage other benefits such as improving utilization of property and fostering relationships between the military services, the community, and the private sector.

To capitalize on both the direct and indirect benefits, some Army installations are already aggressively leveraging EUL. For example:

- **Walter Reed Army Medical Center** (WRAMC) has a successful 50-year EUL project for the renovation of a historic building. The contractor will finance, renovate, operate, maintain, and manage the renovated building over the 50-year period of the EUL. At the end of the lease, the property will revert to government ownership. For this EUL, the contractor will provide $62M in capital for the renovation. WRAMC will receive over $20M as in-kind services and have an estimated cost avoidance of $75M over the course of the lease. Based on the success of this EUL, WRAMC is in the preliminary stages of a second EUL project. See details at http://eul.ey.com.
- **Fort Leonard Wood** leased 62 acres to the University of Missouri for 33 years for development as a technology park. The installation receives a percent of net revenues from the lease agreements.
- **Fort Sam Houston** has three EUL projects underway to renovate historic property that will result in over 240,000 square feet of office and special purpose space. The private sector invested over $50M. This space will be rented by

approved organizations and the Army will receive a percent of "rent" from the lease.

- **Fort Bliss.** Fort Bliss just released an announcement through FedBizOpps seeking a private contractor to develop the under-utilized William Beaumont General Hospital Historic District comprised of 92.75 acres and 39 historic structures located outside the installation. See details at https://www.asaie.army.mil/Public/Partnerships/OHP/ohp.htm.
- **Fort Monmouth.** Fort Monmouth is competitively leasing three vacant buildings in the main post area for adaptive use, as well as 80 acres of land and an 85,000 square foot facility for development of a Research and Development campus for mission-related functions. See details at http://www.fmnj.biz.

EUL is a powerful leveraging tool that can help Army installations get improved facilities quicker and more efficiently. Given current budget constraints, EUL allows the Army to obtain private sector financing to construct, improve, and maintain facilities, thereby freeing up the funds that would have been used for these purposes for other military requirements.

We believe there are many EUL opportunities and we challenge installations to seek them out. Please visit the Army's EUL website at **www.asafm.army.mil/rabp/info/sop.asp**

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Senior Army Workforce (SAW)

"Army Civilian Leaders of Today and Tomorrow"

At no other time has there been such great opportunity for change with regard to human resource management of Army civilians. Requirements validated through the workforce analyses conducted as part of the Civilian Personnel Management System (CPMS) XXI study and the Army Training and Leader Development Panel (Civilian) clearly demonstrate that the Army must continue to acquire, develop and sustain highly skilled civilian leaders. Due to downsizing of the current workforce and the projected retirements at all grade levels and occupations; this need must be addressed now. Investment in the development of civilian leaders is critical to Army readiness and mission success. As a result, major efforts are underway to overhaul the way the Army manages its senior level civilians in the innovation called the SAW.

What is the SAW?

The Senior Army Workforce (SAW), as it is proposed, is an innovative strategy to assure that the Army grows and sustains its civilian leaders. The SAW will be staffed with leaders operating within a work environment where they are responsible for cultivating opportunities for crosstraining to increase technical proficiencies, where they pursue personal and professional development through continuous learning and where good performance is rewarded. This cadre of multi-functional leaders will facilitate Army's military to civilian non-core task conversion, enabling Army to plan, project and meet requirements rather than respond reactively.

The key tenet of the SAW is the Central Selection and Management of civilian leaders, supervisors, and managers in grades GS-12 to15 (or their equivalents) Army-wide. Initially, the SAW will include over 17,000 civilians, a number which will increase as more functional responsibilities are transferred to the civilian workforce, permitting soldiers to be assigned to the operational force. SAW Program Management will be aligned under the Human Resources Command and will centrally manage assignments and selections similar to the Officer Personnel Management Directorate. This centralization will enhance the ability of the Army to provide the right person to the right job when needed, removing the organization's requirement to "find" the right person. The four key components of the SAW foundation are Central Management, Training and Development, Multifunctional Career Tracks and a Competency-Based System.

- **Central Management (Promotions/Assignments/Selection).** Will enable strategic allocation of resources to ensure fair and equitable development of Army civilian leaders (ATLDP recommendation). Provides for HQDA, G1, to centrally promote, and assign civilian leaders to all supervisory positions through a formally established competitive selection process.

- **Training and Development.** Long-term training, developmental assignments, and service schools will be administered through a training and development account, similar to the current military Transients, Trainees, Holdees, and Students (TTHS). This component formalizes civilian leader core curriculum and will be developed in partnership with Career Program Functional Chief Representatives (FCRs) and the G-3 through the creation of Career Maps similar to those in DA Pam 600-3 (Commissioned Officer Development and Career Management). Training and professional development decisions will be made with an Army-wide view.

- **Multifunctional Career Tracks.** Will broaden civilian leader skills through experience, education, and training and provide multi-skilled leaders who will have the ability to manage a number of broad-based functional and mission areas as a result of planned training and development.

- **Competency-Based System.** Will enable the Army to shape the civilian workforce based on projected needs versus the status quo, and provide a holistic view of an individual's capabilities and potential. This system will be designed to assess, develop and assign SAW members based on an individual's demonstration of prescribed competencies within a broadly defined career track.

Coupled with the legislative changes and the management flexibilities identified in the National Security Personnel System (NSPS), the Senior Army Workforce concept will be a force multiplier, and will enable the Army leadership to focus on training, readiness and fighting the Global War on Terrorism. The SAW uses drivers from CPMS XXI, the ATLDP-C study and single variants that all point to certain common trends that must be addressed now – the aging civilian workforce, the lack of focused development for civilian leaders and limited human capital planning tied to budgeting and mission requirements. SAW is the answer to a senior leadership focus area in the form of centrally-managed and developed Army civilian leaders. The Army must plan to the future and invest in the development of the "Civilian Bench." On January 28, 2004 the ASA (M&RA) approved the SAW concept. Briefings to the Army's senior leadership, strategic communication and workforce education plans will follow as this concept continues development.

About the Author:

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The Importance of Career Fairs

Rebecca Goering

The Army is always looking for good civilian employees. An excellent starting point is college campuses. Every year universities and colleges hold one or more career fairs. Hundreds of employers from both the private and public sector attend the career fairs looking for the best candidates. Students also come hoping to find jobs. The next important step is matching the two groups.

I participated, as an employer, last fall at the University of Illinois Career Fair. The Army was looking for students who would be interested in the Financial Management Intern Program or working for the Army Audit Agency (AAA). We set up a booth and prepared for students to ask questions about the programs we were advertising. Many questions were asked about working for the government and what the intern program was like. I explained what an intern does during their time as an intern and the benefits of being an intern. Other members of the team explained the hiring process and what working for AAA is like. Career Fairs are an opportunity for employers to collect resumes and get a general feeling about a student's interest in the job.

Many career fairs offer an interview day the day after the career fair. This is a time when an employer can, if they chose, have a one-on-one session with a student. This interview session can lead to future interviews and possibly a job. We did not participate in the interview day, however we received around 100 resumes from students who were interested in working for the Army.

Career fairs can be a great opportunity for students to make contacts with employers.

As a student this can be a nerve-racking experience. First you walk into a room with a couple hundred employers and then you have to talk to as many as possible. You hope to make a good impression. Students recognize it is important to ask the right questions and act professionally. Career fairs are often the only chance a student gets to meet prospective employers. It is also an opportunity for students to learn about career options they may not have considered.

The career fair at the University of Illinois was the same as hundreds of fairs held around the country every year. It provided an excellent opportunity to inform young adults about the benefits of working for the Army as a civilian. Many students do not know that there are civilian positions within the Army and the military as a whole. Recruiting individuals fresh out of college will be important to sustaining the civilian workforce and developing great civilian leaders of the future. I recommend that the Army participate in more career fairs across the country to expose more students to the opportunity to become civilian employees.

About the Author:

Ms. Rebecca Goering is a Financial Management Specialist Intern in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army for Financial Management and Comptroller.

CP11 Training With Industry (TWI)

Background

The Comptroller Proponency Office released a special announcement for the Army Comptroller Civilian Career Program (CP 11) Training With Industry (TWI) Pilot Program in November 2003. The CP 11 TWI Program is a one-year work-experience training program. It is designed to take selected careerists out of the government environment and expose them to the latest private sector business practices, organizational structures and cultures. A primary advantage is to foster a more cohesive working knowledge between industry and the Army.

The TWI Program has successfully operated for military Functional Area (FA 45) for the past two years. The CP 11 TWI provides opportunities for Army civilian personnel to engage in corporate procedures and practices, and share Army business practices with industry. This training enables the individuals to obtain knowledge, experience and a perspective in management and operational techniques. The key objective of the CP 11 TWI Program is to provide private sector partners with seasoned professionals with diverse experience and perspectives to apply to industry client engagements. At the same time, the careerist will bring better business practices back from industry leaders for Army use.

Qualifications

The CP 11 TWI Program is open to Department of the Army (DA)_CP 11 civilians at the GS-12, GS-13 and GS-14 grade levels. The careerist must have career status and currently serving in permanent competitive appointments without time limitation. The careerist must also have a minimum of three years of consecutive DA service under one or more permanent appointments. CP 11 careerists selected for these assignments are expected to continue in DA or other Department of Defense (DoD) service for a period equal to three times the length of the assignment. The careerist subsequently returns to the previous assignment within DA or DoD upon assignment completion.

Corporations/Locations

The CP 11 Comptroller Proponency Office has negotiated terms with the following industry partners for five to six positions:

- **Boeing Military Aircraft and Missile Group**
  St. Louis, MO
- **General Electric Aircraft Engines**
  Cincinnati, OH
- **KPMG Limited Liability Partnership**
  Mid-Atlantic Region
  (Washington, DC; Pittsburgh, PA; Philadelphia, PA; Baltimore, MD; Richmond, VA)
- **Motorola Communications Sector**
  Libertyville, IL
- **USAA Office of Corporate CFO**
  San Antonio, TX

Application for Positions

The application process is found on the Civilian Personnel home page, **http://www.cpol.army.mil.** The on-line and hard documents required for the TWI professional development are found in the ACTEDS Training Catalog. Application packages are submitted through the career program manager and command channels to arrive at the Comptroller Proponency Office, OASA (FM&C) by a stated suspense date.

About the Author:

Ms. Esther Williams is an Auditor with the United States Army Audit Agency currently serving in a Developmental assignment in the Comptroller Proponency Office.